PROFESSIONAL CONSULTANT SERVICE AGREEMENT

FOR CREATIVE AND COMMUNICATION SERVICES

between

RB Rail AS

and

SIA "Triple Bounce"

Agreement registration number	1.19/LV-2021-25
CEF[1] Contract No	Connecting Europe Facility Action 2019-EU-TMC-0282-S and Action 2016- EU-TMC-0116-M
Procurement procedure identification No	RBR 2020/20

Riga

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[1] Grant Agreement under the Connecting Europe Facility

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PROFESSIONAL CONSULTANT SERVICE AGREEMENT

This PROFESSIONAL CONSULTANT SERVICE AGREEMENT **FOR CREATIVE AND COMMUNICATION SERVICES**, together with all Annexes hereto, (hereinafter, the "Agreement") is entered into in Riga, on THE DATE INDICATED ON THE TIMESTAMP OF THE LAST SIGNATURE OF THE DOCUMENT (hereinafter, the "Effective Date") by and between:

(1) RB RAIL AS, a joint stock company registered in the Republic of Latvia under registration number: 40103845025, having its registered address: Riga, K. Valdemāra street 8-7, LV-1010, (hereinafter, the „Principal"), represented by Chairperson of the Management Board and acting CEO Agnis Driksna acting on the basis of the Regulations on Representation Rights dated 20 July 2020, on the one side, and

(2) SIA "Triple Bounce", a limited liability company registered in the Republic of Latvia under registration number: 40003955598, having its registered address: Riga, Tērbatas street 49/51-9, LV-1011 (hereinafter, the "Service Provider"), represented by Chairperson of the Board Vivita Ančupāne acting on the basis of the Statutes, on the other side,

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 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;

(B) The Principal has organised procurement procedure "CREATIVE AND COMMUNICATION SERVICES" (identification No RBR 2020/20) (hereinafter, the "Procurement Procedure") whereby the tender proposal submitted by the Service Provider (hereinafter, the "Service Provider's Proposal") was selected as the winning bid;

(C) This Agreement is co-financed from the Connecting Europe Facility (CEF), CEF Action No 2019-EU-TMC-0282-S, Activity No 8 (International promotion, engagement, cooperation, communication and PR), and Action No 2016-EU-TMC-0116-M, Activity No 12 (Global Project business development and marketing activities (Phase I)).

Section I. DEFINITIONS AND INTERPRETATION

1.1. *Definitions.* In this Agreement, unless the context requires otherwise, all defined terms shall have the meanings ascribed to such terms in accordance with *Annex A: Definitions and Common Terms.*

1.2. *Interpretation.*

(a) The headings contained in this Agreement shall not be used in its interpretation.

(b) References to the singular shall include references in the plural and vice versa, words denoting a gender shall include any other gender where the context requires, 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) In the event there arises a conflict between provisions of the Agreement, the last provision to have been written chronologically shall take precedence.

(e) Any reference in this Agreement to a person acting under the direction of another person shall not include any action that is taken in contravention of any Applicable Law or Standards,

unless the relevant Person can demonstrate that an explicit instruction or direction was given to take the relevant action.

(f) 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. The Parties agree and acknowledge as follows:

(i) neither Party shall be required to seek or apply for any consent, approval or agreement by any Person which would place the respective Party in breach of any Applicable Law, Standards or Good Industry Practice; and

(ii) nothing in this Agreement shall require the Principal to give or procure the giving of any consent or approval which would be contrary to the protection, safety and efficient operation of the Railway and the Project.

(g) A reference to "writing" shall include an e-mail transmission and any means of reproducing words in a tangible and permanently visible form.

(h) The words "include" and "including" are to be construed without limitation.

(i) Unless indicated otherwise, all references to "days" shall mean calendar days.

(j) The words in this Agreement shall bear their natural meaning, except for Definitions in accordance with *Annex A*: *Definitions and Common Terms.*

(k) Unless otherwise specified herein, references in this Agreement to any Clause, Section or Annex shall mean references to such Clause, Section or Annex of this Agreement, and references to any agreement, instrument, or other document in this Agreement refer to such agreement, instrument, or other document as originally executed or, if subsequently amended, replaced, or supplemented from time to time, as so amended, replaced, or supplemented and in effect at the relevant time of reference thereto.

1.3. *Order of Precedence*. In the event of any discrepancy or inconsistency arising between the documents forming part of this Agreement, the following order of precedence shall apply:

(a) this Agreement document;
(b) Explanations (clarifications) of the Procurement Procedure documentation;
(c) Procurement Procedure documents with the annexes;
(d) Clarifications of the Service Provider's Proposal;
(e) Service Provider's Proposal;
(f) all other Annexes of the Agreement.

Section II. SUBJECT OF THE AGREEMENT, TOTAL VALUE AND TERM

2.1. *Engagement and Scope of Service*. Subject to the terms of this Agreement, the Principal shall engage the Service Provider to provide the Service to the Principal on an on-demand basis for the Project to ensure provision and performance of all Works under *Annex B: Scope of Service (Technical Specification*) attached to this Agreement (hereinafter, the "Scope of Service"), and the Service Provider undertakes to accept such engagement.

2.2. *Assignment.* For every assignment, a separate service order substantially in the form of *Annex E: Service Order* which, amongst others, shall include the Deliverables, Service Milestones and Fee for the Service provided thereunder (hereinafter, the "Service Order") shall be issued by the Principal and confirmed by the Service Provider. The Service Provider undertakes to provide the Service only based on a mutually confirmed Service Order, the conditions and provisions thereof being binding on both the Service Provider as well as the Principal.

2.3. *Objective*. The Service shall result in the performance of all Works identified in *Annex B: Scope of Service (Technical Specification)* according to the terms of this Agreement and delivery to the Principal of the Deliverables according to the respective Service Order.

2.4. *Total value.* The total value of the Agreement is EUR 165 000,00 (one hundred sixty-five thousand euro) (excluding VAT). The Agreement does not in any way bind the Principal to procure Service from the Service Provider for the entirety of the total value or any other guaranteed amount.

2.5. *Term.* The term of the Agreement is twenty four (24) months starting from the Effective Date or until the total value of the Agreement has been exhausted, whichever occurs first, the Agreement can be prolonged for an additional twelve (12) months if the total value as specified in the Clause 2.4 has not been fully exhausted.

2.6. *Expiry and termination.* After the expiry of the Agreement term or once the total value has been reached, no new Service Orders can be issued by the Principal. The Agreement terminates once all of the existing Service Orders are fully completed by the Service Provider and approved by the Principal and the Parties have fulfilled their contractual obligations arising out of this Agreement.

Section III. OBLIGATIONS OF SERVICE PROVIDER

3.1. *General Obligations.* The Service Provider's shall perform the Service as expeditiously as is consistent with professional skill and care, orderly progress of the Service, and in accordance with this Agreement. The Service Provider shall act in good faith towards the Principal in respect of all matters under the Agreement. The Service Provider undertakes to perform or procure the performance of the Service in its entirety. The Service Provider, subject to obtaining the prior approval of the Principal, shall develop and supplement the Scope of Service to the necessary extent with a view to achieving the objectives of the Project. Specifically, the Service Provider undertakes to perform the Service in accordance with all of the following:

(a) requirements of Applicable Law;

(b) Good Industry Practice;

(c) Standards as may be applicable from time to time;

(d) Necessary Consents; and

(e) the terms and conditions of this Agreement.

3.2. *Duty of Care and Exercise of Authority.* The Service Provider shall:

(a) in performing its obligations under this Agreement, 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;

(b) ensure that all personnel engaged toward the Service are competent in accordance with relevant Standards and are qualified to perform their duties efficiently;

(c) ensure that all maps, drawings, plans, specifications, estimates, studies, computer files and other documents and information required to be prepared or submitted by the Service Provider under this Agreement conform to Good Industry Practice generally acceptable at the time of submission of such maps, drawings, plans, specifications, estimates, studies, computer files and documents;

(d) at all times during the term of this Agreement and in performing the Service, ascertain and comply with all Applicable Law, Good Industry Practice and, to the extent applicable, conditions of any Necessary Consents;

(e) comply, where applicable, with any reasonable requirements of the Principal not otherwise provided for in this Agreement;

(f) ensure that all designs are performed, and that the design process is documented, in accordance with Good Industry Practice, and using standard industry quality control methodology;

(g) notify the Principal of any Defects in accordance with Clause 7.3 of this Agreement as soon as such Defects are identified by the Service Provider;

(h) whenever the Service includes the exercise of powers or performance of duties authorized or required pursuant to the terms of any contract entered into between the Principal and any third party, the Service Provider shall:

(i) act in accordance with the terms and conditions of the agreement entered into between the Principal and the relevant third party; provided, however, that the details of such powers and duties, to the extent not described pursuant to *Annex B: Scope of Service (Technical Specification)* are acceptable to the Service Provider;

(ii) if authorized to certify, decide or exercise discretion, do so fairly between the Principal and third party not as an arbitrator but as an independent professional exercising its best skill and judgment; and

(iii) to the extent so authorized, cause the obligations of any third party to be adjusted or modified, subject to obtaining the prior approval of the Principal to any adjustment or modification which can have a material effect on the Fee, quality or time (except in any emergency when the Service Provider shall inform the Principal as soon as practicable).

3.3. *Maintenance of Records*. During the term of the Agreement and for period of ten (10) years from expiration or termination of this Agreement for any reason whatsoever, the Service Provider shall keep and maintain clear, adequate and accurate records and Documentation evidencing, to the reasonable satisfaction of the Principal, that the Service has been and is being carried out in accordance with the Standards and 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.

3.4. *Access to Documentation*. At all times during the term of the Agreement, the Principal shall have access to all Documentation. This access shall be continuing and survive the termination of this Agreement for either cause or convenience. The Documentation shall be kept in a generally recognised format for a period of ten (10) years from the date of termination of this Agreement. All records forming part of the Documentation shall be available to the Principals` auditor, or expert appointed by the Principal during the period of time specified in accordance with this Clause.

3.5. *Property of Principal*. Anything supplied by or paid for by the Principal for the use by the Service Provider toward provision of the Service under this Agreement shall constitute the property of the Principal and, to the extent practicable, shall be marked by the Service Provider as property of the Principal. To the extent the Service is completed or terminated, the Service Provider shall furnish inventories of whatever has not been consumed in the performance of the Service to the Principal and shall deliver such inventories in such manner and to such location(s) as designated by the Principal. For the avoidance of any doubt, such delivery shall not be forming part of the Scope of Service and the terms of the delivery shall be agreed between the Principal and the Service Provider separately.

3.6. *Reservation of Certain Approval Rights*. Nothing in this Agreement shall require the Principal to give or procure the giving of any consent or approval which would be contrary to or inconsistent with the interests of protection, safety and efficient operation of the Railway or the Project and the safety of persons or property.

3.7. *Acceptance Not a Waiver*. The Principal's review, approval, acceptance, or payment with respect to any part of the Service provided by the Service Provider shall not be interpreted or construed to operate as a waiver of any rights or cause for action arising out of the Service Provider's performance of the Service under this Agreement. The Service Provider shall remain liable to the Principal as allowed under this Agreement and under Applicable Law for any and all Costs and/or Damages caused by the Service Provider's negligent performance of any part of the Service furnished under this Agreement.

3.8. *Sub-Contracting and Staff*. In performing the Service in accordance with the Scope of Service and subject to the provisions of Clause 3.13 and Clause 3.14, the Service Provider may only rely on the services of those Approved Sub-Contractors and Approved Staff listed in *Annex D: List of Approved Sub-Contractors and Staff*, as such list may, from time to time, be modified or supplemented in agreement with the Principal and in accordance with the terms and subject to the criteria contained in the applicable public procurement laws of the Republic of Latvia. *Annex D: List of Approved Sub-Contractors and Staff* shall specify the name, contact details and legal representative(s) of each Approved Sub-Contractor and specify the name of each Approved Staff member as of the Effective Date. The Service Provider shall have an obligation to notify the Principal in writing of any changes in *Annex D: List of Approved Sub-Contractors and Staff* occurring during the term of this Agreement and

of the required information for any new sub-contractors and/or staff member which it may subsequently engage toward provision of the Service.

Pursuant to the Public Procurement law of the Republic of Latvia, the Service Provider shall obtain prior written consent of the Principal for the replacement of each Approved Sub-contractor and/or each Approved Staff member indicated in *Annex D: List of Approved Sub-Contractors and Staff* and involvement of additional sub-contractors and/or staff members.

The Principal shall not consent the replacement of an Approved Staff member in case when the replacement does not meet the requirements specified under the Procurement Procedure documentation or it does not have at least the same qualification and experience as the Approved Staff member that has been evaluated when determining the most economically advantageous tender.

The Principal shall not consent the replacement of an Approved Sub-Contractor or involvement of a new one if any of the following conditions applies:

(a) the replaced or newly involved Sub-Contractor does not meet the requirements specified for the Sub-Contractors under the Procurement Procedure documentation;

(b) the Approved Sub-Contractor on whose capacities the Service Provider has relied upon to certify that the qualification thereof conforms to the requirements specified in the contract notice or the procurement procedure documents is replaced and the Sub-Contractor does not have at least the same qualification which the Service Provider has referred to upon certifying the conformity thereof to the requirements specified in the Procurement Procedure, or it is subject to the provisions for exclusion of the tenderers referred to in Paragraph one or two of Section 42 of the Public Procurement Law of the Republic of Latvia (in accordance with that which is specified by the Principal in the contract notice or the Procurement Procedure documents);

(c) the proposed Sub Contractor, if the value of the Services to be provided by it is at least 10 per cent of the total value of the Agreement, is subject to the provisions for exclusion of the tenderers referred to in Paragraph one or two of Section 42 of the Public Procurement Law of the Republic of Latvia (in accordance with that which is specified by the Principal in the contract notice or the procurement procedure documents);

(d) as a result of the replacement of the Approved Sub-Contractor the Service Provider`s Proposal would be amended and such amendments, had they been made in the Service Provider`s Proposal, would have influenced the selection of the Service Provider as the winning bid in accordance with the tender evaluation criterea under the Procurement Procedure documentation.

The Principle shall immediately, but not later than within five (5) Working Days after receipt of all necessary information and documents, either permit or refuse the proposed changes in *Annex D: List of Approved Sub-Contractors and Staff* .

Review and evaluation of the replacement Approved Sub-contractors and/or Approved Staff shall be carried out, and the consent or refusal to give consent shall be rendered by the Principal in accordance with Article 62 of the Public Procurement Law of the Republic of Latvia.

3.9. *Responsibility for Performance by Sub-Contractors*. The Service Provider 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 its Approved Sub-Contractors shall, for the purposes of this Agreement, be deemed to be the act, failure to act, breach or negligence of the Service Provider.

The Service Provider shall replace the Approved Sub-contractor and/or Approved Staff member which, during the effectiveness of this Agreement, meets any of the compulsory grounds for exclusion of tenderers (or sub-contractors) that were verified during the Procurement Procedure.

3.10. *Obligations of Service Provider on Termination*. In the event of issue or receipt of a notice of termination of the Agreement under Clause 8.1, the Service Provider shall:

(a) take immediate steps to bring an end to the performance of the Service in an orderly manner;

(b) make arrangements to minimize the expenditure under this Agreement as rapidly as possible; and

(c) pass to the Principal a complete set of any documents, manuals or other information that the Principal may require in connection with the Project and the Railway and which, at the time of termination, are in the possession or under the control of the Service Provider.

3.11. *Attendance of Meetings*. To the extent necessary to ensure smooth and efficient provision of the Service, the Service Provider shall at the Principal's request, hold and/or attend meetings with any Persons.

3.12. *No Material Interference*. The Service Provider agrees that non-Principal activities undertaken by the Service Provider will be managed so as not to materially interfere with the Service Provider's obligations to the Principal under this Agreement.

3.13. *No Conflicting Activity*. Except with the Principal's knowledge and express written permission, the Service Provider shall not engage in any activity, or accept any employment, other agreement, interest, or contribution that would reasonably appear to compromise the Service Provider's professional judgment and performance with respect to the Service and/or the Project. In performing the Service, the Service Provider shall take all necessary measures to prevent any situation where the impartial and objective implementation of the Service is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest.

3.14. *Certain Negative Covenants*. In carrying out the Service, the Service Provider undertakes not to procure goods or services of any kind from any Person meeting any of the following criteria:

(a) the Person who is a member of the Management Board or Supervisory Board of an Approved Sub-Contractor or procurator of an Approved Sub-Contractor, or is authorized to represent or act on behalf of an Approved Sub-Contractor with respect to any activity related to any subsidiary company of such Approved Sub-Contractor, and such Person has been accused of commitment of any of the following criminal offences pursuant to an order issued by a public prosecutor or was found to be guilty of commitment of any of the following criminal offences in accordance with a court judgment that has entered into legal force, is non-disputable and non-appealable:

(i) formation, organisation, leading or involvement in the criminal organisation or another criminal formation, or participation in the criminal acts of such organisation or formation;

(ii) accepting a bribe, giving of a bribe, misappropriation of a bribe, intermediation toward giving or taking of a bribe, acceptance of a prohibited benefit or commercial bribing;

(iii) fraud, misappropriation of funds or money laundering;

(iv) tax evasion or evasion of payments equivalent to tax;

(v) terrorism, financing of terrorism, instigation of acts of terrorism, terrorist threats or recruitment and training of a person with the aim of committing acts of terrorism;

(vi) human trafficking.

(b) the Person has, by decision of a competent authority or judgment of a court which has entered into legal force and is non-disputable and non-appealable, been found guilty of violation of labour law in any of the following manners:

(vii) employment of one or more citizens or nationals of countries who are not citizens or nationals of a Member State of the European Union and are residing in the territory of a Member State of the European Union unlawfully;

(ii) employment of one or more persons without having entered into written employment agreement with such persons, or without having submitted an employee declaration with respect to such persons within a period of time stipulated in accordance with applicable laws and regulations applicable to persons that enter into salaried employment;

(c) the Person who, by decision of a competent authority or in accordance with judgment of a competent court which has entered into legal force, is non-disputable and non-appealable, has been held guilty of violation of applicable rules of competition law manifested as a vertical agreement aimed at restricting the ability of one or more purchasers to determine the resale price, or a horizontal cartel agreement, with the exception of instances where the relevant authority, upon having established the fact of violation of applicable rules of competition law, has discharged the candidate or participant in a tender offer from

imposition of a fine or has reduced the amount of fine as a part of co-operation leniency programme;

(d) the Person who has insolvency proceedings initiated against it (except in the circumstances where a bailout or a similar set of measures are applied within the insolvency proceedings and are aimed at preventing the bankruptcy and restoring the debtor back to solvency, in which case the Service Provider shall evaluate the possibility of participation by such Person in performing the Service), economic activity of the Person has been suspended or discontinued, bankruptcy proceedings have been initiated against the Person or the Person is subject to a liquidation;

(e) the Person has unpaid tax indebtedness in the country where the Procurement Procedure is organised or in the country where the Person is registered or permanently residing as a tax payer, including the indebtedness with respect to State social insurance contributions, in the total amount exceeding EUR 150 in each individual country; in such case, the Service Provider can, within its sole discretion, prompt the Approved Sub-Contractor to pay or discharge all outstanding tax indebtedness within ten (10) Working Days and, upon such payment or discharge, allow the Person to continue performance of the Service;

(g) the Person is an entity registered offshore;

(h) International or national sanctions or substantial sanctions by the European Union or the North Atlantic Treaty Organization Member State affecting the interests of the financial and capital market has been imposed to the Person and such sanctions can affect the execution of the Agreement;

(h) any of the above-mentioned criteria shall apply to all members of a group of persons if the Person is a group of persons.

3.15. *Visibility Requirements*. At all times during provision of the Service, the Service Provider undertakes to comply with each of the following requirements:

(a) any report, brochure, document or information related to the Service provided by the Service Provider under the Agreement to the Principal or any other Person, or which the Service Provider makes publicly available shall include each of the following:

(i) a funding statement which indicates that the Service is financed from CEF funds substantially in the following form: "Rail Baltica is co-financed by the European Union's Connecting Europe Facility";

(ii) with respect to printed materials, a disclaimer releasing the European Union from liability with respect to any contents of any distributed materials substantially in the form as follows: "The sole responsibility of this publication lies with the author. The European Union is not responsible for any use that may be made of the information contained therein". The disclaimer in all official languages of the European Union can be viewed on the website https://ec.europa.eu/inea/connecting-europe-facility/cef-energy/beneficiaries-info-point/publicity-guidelines-logos; and

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

(b) the requirements set forth in Clauses 3.15(a)(i) - 3.15(a)(iii) of this Agreement can be complied with by means of utilizing the following logo:

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

in the event the Service Provider decides to utilize the above logo, the Service Provider shall ensure that the individual elements forming part of the logo are not separated (the logo shall be utilized as a single unit) and sufficient free space is ensured around the logo; and

(c) in order to comply with the latest applicable visibility requirements established by the European Union, the Service Provider shall regularly monitor changes to visibility requirements; as of the Effective Date, the visibility requirements are available for review on the webpage https://ec.europa.eu/inea/connecting-europe-facility/cef-energy/beneficiaries-info-point/publicity-guidelines-logos.

Section IV. OBLIGATIONS OF PRINCIPAL

4.1. *Supply of Information.* Unless otherwise provided under this Agreement, the Principal shall, in a timely manner, provide to the Service Provider any information, as may reasonably be requested by the Service Provider for the provision of the Service, provided that the Principal is in possession of such information. Information or instructions provided to the Service Provider by or on behalf of the Principal shall be prepared and given in such a diligent and professional manner and with such clarity, in such detail and in a timely manner as is necessary to enable the Service Provider to comply with its obligations under this Agreement. The Principal shall examine Documentation as may be submitted by the Service Provider for review by the Principal toward partial completion of the Service and, upon request of the Service Provider, shall render decisions and opinions pertaining thereto.

4.2. *Decisions by Principal.* On all matters properly referred to it by the Service Provider in writing the Principal shall give its decision in writing so as not to delay the Service and within a reasonable time.

4.3. *Assistance and Cooperation by Principal.* In each country of the Railway and in respect of the Service Provider, its personnel and dependents, as the case may be, the Principal shall have an obligation to do all in its power to reasonably assist the Service Provider and reasonably cooperate with the Service Provider with respect to each of the following matters:

(a) providing unobstructed access wherever access is required for purposes of enabling, establishing or providing the Service; and

(b) providing access to other organizations to enable collection of information which is to be obtained by the Service Provider.

4.4. *No Material Interference.* The Principal agrees that non-Service Provider activities undertaken by the Principal will be managed so as not to materially interfere with the Principal's obligations to the Service Provider under this Agreement.

4.5. *Accounting and Auditing Services.* The Principal shall furnish accounting and auditing services as may be necessary for the Services as the Principal may require to ascertain how and/or for what purposes the Service Provider has used the funds paid under the terms of this Agreement.

4.6. *Action Upon Becoming Aware of Defects.* In the event the Principal observes or otherwise becomes aware of any error, fault, omission, or defect in the Service or non-conformance of any action forming part of the Service with the Documentation or information, the Principal shall give prompt notice thereof to the Service Provider. The Service Provider shall have the obligation to correct such error, fault, omission, or defect in the Service or non-conformance of any action forming part of the Service.

Section V. PERSONNEL AND REPRESENTATIVES

5.1. *Supply of Personnel.* The personnel who are designated by the Service Provider shall be fit for their respective assignments, and their qualifications shall be acceptable to the Principal.

5.2. *Representatives.* Each Party shall appoint an officer, employee or individual to serve as its representative toward supply or receipt of the Service (including the issuance or confirmation of the Service Order, Delivery Acceptance Note, Objection Notice), with full authority to act on its behalf in connection with this Agreement (hereinafter, the "Representative"), the initial Representatives having been identified by *Annex G: Representatives.* 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 identity of the delegate and specifying the scope of authority so delegated. In addition to the appointment of a Representative under this Clause 5.2, to the extent required by the Principal, the Service Provider shall

designate an individual to liaise with the Representative of the Principal in each country where the Project is implemented.

5.3. *Supplemental Personnel*. To the extent necessity arises to supplement the personnel of the Service Provider engaged towards the provision of the Service with additional personnel, the Service Provider shall immediately arrange for engagement of such supplemental personnel. The costs of such engagement shall be borne by the Service Provider. For the avoidance of any doubt, the engagement of supplemental personnel under this Clause 5.3 shall not require approval by the Principal, provided that the personnel complies with the Applicable Law and this Agreement.

5.4. *Replacements*. Each Party may replace or remove any Representative by notifying in writing the other Party following Section XIV immediately, but not later than one (1) Working Day before the replacement or the removal of the respective Representative.

Section VI. SERVICE MEETINGS AND REPORTING

6.1. *Service Meetings*. The Service Provider shall arrange project`s communication`s planning meetings on a weekly, monthly, and quarterly basis (to the extent mutually agreed by the Parties) at which appropriate personnel of the Service Provider and the Principal and the Representatives of each Party shall be present (if applicable).

6.2. *Reporting*. The Service Provider shall, in a format and at intervals to be agreed with the Principal:

(a) provide the Principal with regular reports and status updates on the progress of the Works.

(b) report on any changes to the Annexes of this Agreement, which the Service Provider considers may be needed to fulfil the objectives set out in the Agreement; and

(c) use reasonable endeavours to provide any other information and status updates as may be reasonably requested by the Principal at any time.

For the avoidance of any doubt, any change to the above-mentioned documentation can be made only under this Agreement, if agreed by Parties, and, if the proposed changes are compliant with the Public Procurement Law of the Republic of Latvia.

Section VII. COMMENCEMENT OF SERVICE, REMEDY OF DEFECTS AND ACCEPTANCE

7.1. *Service Commencement*. The Service Provider shall not commence provision of the Service until the respective Service Order has been confirmed by the Service Provider and the Principal in accordance with the provisions of this Agreement. The Service Provider shall perform the Works timely and with due diligence having due regard to any applicable Service Milestones and any other key dates for the performance of the Service set out in the Agreement, respective Service Order and the applicable Annexes, as may be ameded from time to time with the consent of the Principal or in accordance with this Agreement and Public Procurement Law of the Republic of Latvia.

7.2. *Impediments and Delays*. If the Service, or any part thereof, is impeded or delayed by the Principal or any third party engaged by the Principal so as to increase the duration of the Service or any of the applicable Service Milestones:

(a) the Service Provider shall inform the Principal of the circumstances and probable effects of such impediment or delay upon the confirmed Service Order; and

(b) the duration of the particular Service shall be increased and any Service Milestone(s) affected by the impediment or delay shall be extended accordingly.

7.3. *Defects*. The Principal shall notify the Service Provider of each Defect as soon as Defect is identified by the Principal and the Service Provider shall have an obligation to notify the Principal of each Defect as soon as Defect is identified by the Service Provider. Upon discovering a Defect, or upon receipt by the Service Provider of a notification of Defect from the Principal, the Service Provider shall have seven (7) days (unless otherwise specified by the Principal) to remedy the Defect (the "Cure Period"). In the event of inability or failure by the Service Provider to remedy the Defect within the Cure Period, the Principal shall be entitled, at the sole and exclusive discretion of the Principal, to do any of the following:

(a) allow the Service Provider an additional time period for remedying the Defects, such time period to be determined in the sole discretion of the Principal;

(b) remedy the Defects, irrespective of the extent or nature of the Defects, at own cost of the Principal (including by means of relying on the services of a third Person) and demand reimbursement by the Service Provider of Costs incurred by the Principal as a result of having to pay other Persons toward carrying out any Work or action;

(c) terminate the Agreement according to Clause 8.1; or

(d) remedy the Defects, irrespective of the extent or nature of the Defects, in accordance with Clause 7.3(b) and terminate the Agreement pursuant to Clause 8.1.

For the avoidance of any doubt, the application of the Cure Period under this Clause 7.3 shall be without prejudice to and shall not relieve the Service Provider from the obligation to pay any contractual penalty in accordance with the provisions of Clause 17.2 or to compensate any Damages in accordance with the provisions of Clause 17.3.

7.4. *Completion of Service and Delivery Acceptance Note*. Meeting of a Service Milestone or supply of a Deliverable occurs whenever the Service Provider has completed all of the Works which the Service Provider has undertaken to perform according to the Service Order by the relevant Service Milestone. On meeting a Service Milestone and/or producing a Deliverable (including all Documentation and information forming part of the Deliverable) the Service Provider shall issue to the Principal a Delivery Acceptance Note substantially in the form of *Annex F: Delivery Acceptance Note* which shall include the Deliverable and adequate supporting Documentation or information relevant to the Service Milestone attained and/or Deliverable completed. In the event no reasons for objection to the Delivery Acceptance Note exist, the Principal shall approve and sign it within reasonable time following receipt of the Delivery Acceptance Note. The date of the signing the Delivery Acceptance Note by the Principal shall constitute "Completion Date" with respect to the relevant Service Milestone and/or Deliverable.

7.5. *Objection Notice* In the event the Principal objects to approve and sign Delivery Acceptance Note, it shall give notice to the Service Provider setting out in reasonable detail Defects or reasons for the objection (hereinafter, the "Objection Notice") within reasonable time following receipt of the Delivery Acceptance Note.

7.6. *Completion of Service Following Receipt of Objection Notice*. In the event of receipt by the Service Provider of an Objection Notice in accordance with Clause 7.5, the Service Provider shall:

(a) take due account of all Defects, irrespective of their extent or nature, and other matters raised in the Objection Notice;

(b) as soon as reasonably practicable, but not later as mentioned in the Objection Notice, correct such Defects and deficiencies, irrespective of their extent or nature, and complete the Works indicated in the Objection Notice so as to comply in all material respects with the requirements of this Agreement; and

(c) issue to the Principal a second Delivery Acceptance Note substantially in accordance with the form stipulated in the *Annex F: Delivery and Acceptance Note* of this Agreement.

In the event no reasons for objection to the second Delivery Acceptance Note exist, the Principal shall, within reasonable time following receipt of the second Delivery Acceptance Note, approve and sign Delivery Acceptance Note. The date of the signing the second Delivery Acceptance Note by the Principal shall constitute "Completion Date" with respect to the relevant Service Milestone and/or Deliverable. In the event the Principal objects to accept and sign the second Delivery Acceptance Note, it shall give second Objection Notice to the Service Provider setting out in reasonable detail Defects or reasons for the objection within reasonable time following receipt of the second Delivery Acceptance Note in the previously mentioned order.

7.7. *Objection Notice and Contractual Penalty.* For the avoidance of any doubt, the giving by the Principal of any Objection Notice under Clause 7.5 or second Objection Notice under Clause 7.6 shall be without prejudice to and shall not relieve the Service Provider from the obligation to pay any contractual penalty in accordance with the provisions of Clause 17.2 or to compensate any Damages in accordance with the provisions Clause 17.3 of this Agreement.

Section VIII. TERMINATION AND SUSPENSION

8.1. *Termination for Material Breach or Bankruptcy.* Subject to the provisions of Clause 8.2, either Party 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 other 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 8.1 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 Service valued at least EUR 5,000);

(b) failure by the Service Provider to duly address and remedy Defects in the Cure Period in accordance with Clause 7.3;

(c) failure by any Deliverable to conform to any of the material requirements to such Deliverable contained in the particular Service Order, provided that such failure is not capable of being remedied during the Cure Period or within the term specified in the Objection Notice;

(d) failure by the Principal to make any payment to the Service Provider in accordance with this Agreement within at least fifteen (15) Working Days from the date of such payment falling due;

(e) any of the representations or warranties given by either Party under Clause 15.3 or any of the representations or warranties given by the Service Provider under Clause 15.4 proving to be untrue; or

(f) breach by the Service Provider of any of the representations or warranties contained in Clause 9.6 or breach by the Service Provider of the undertaking contained in Clause 9.10.

8.2. *Corrective Period.* In the event of material breach by either Party of its obligations under this Agreement, the non-breaching Party shall allow the breaching Party no longer than five (5) days for corrective action or submission of a corrective action plan (hereinafter, 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 8.2. shall not apply with respect to any of the events enumerated in accordance with Clause 8.5. In addition and for the avoidance of any doubt, the application of the Corrective Period under this Clause 8.2 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 17.2 or to compensate any Damages incurred by the other Party in accordance with the provisions of Clause 17.3 of this Agreement.

For the sake of clarity, the Corrective Period is not applied where the material breach is related to Defects not remedied or not being capable of being remedied during the Cure Period or within the term specified in the Objection Notice, as the case may be (under Clause 8.1(b) or Clause 8.1(c)), as in these cases the purpose of the Corrective Period is fulfilled by the Cure Period or the term specified in the Ojbection Notice, as the case may be, and their prior application.

8.3. *Alteration Not Material Breach.* It is agreed and acknowledged by the Parties that, for the purposes of Clause 8.1, no Alteration agreed by the Parties shall constitute a "material breach", provided that such Alteration is objectively justified and indispensable to attain objectives of the Project, is carried out in accordance with applicable Public Procurement Law of the Republic of Latvia and relates to any of the following matters:

(a) modification of the terms and conditions of this Agreement in a manner altering the terms and conditions set forth in documents forming part of the Procurement Procedure, provided that necessity of such modification is due to no fault of the Service Provider;

or

(b) substitution of a supplier or Approved Sub-Contractor selected during the Procurement Procedure with another supplier or Sub-Contractor in accordance with applicable Public Procurement Law of the Republic of Latvia.

8.4. *Right to Terminate Immediately.*

8.4.1. Notwithstanding anything to the contrary contained in this Agreement, a Party 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 15.9;

(c) an event of Force Majeure has been continuing during more than sixty (60) days;

(d) the other Party had passed a resolution for winding-up (other than in order to amalgamate or reconstruct);

(e) breach by the Service Provider of the confidentiality undertakings contained in Section X;

(f) the other Party is unable to pay its debts and has presented a petition for voluntary bankruptcy;

(g) the other Party had a bankruptcy order issued against it;

(h) the other Party has a provisional receiver or administrative receiver appointed over the whole or a substantial part of its undertaking or assets;

(i) liquidation, insolvency or legal protection proceedings have been initiated with respect to the other Party or the other Party is declared insolvent;

(j) the making by the other Party of a proposal for a voluntary arrangement with creditors; or

(k) the occurrence of any event analogous to the events enumerated under Clauses 8.4.1(f) – (j) under the law of any jurisdiction to which the other Party's assets and undertaking are subject.

8.4.2. *Principal's Right to Terminate Immediately.* The Principal may terminate this Agreement immediately upon giving the other Party a written notice of termination explaining, in reasonable detail, the reason for termination, if CEF Co-financing for further financing of the Service are not available to the Principal fully or partly. In such a case, the Principal shall pay the Service Provider the fees in respect of the Services provided under this Agreement up to the date of the notification of the termination of this Agreement and the Principal is not obliged to pay contractual or any other penalty or damages to the Service Provider.

8.4.3. *Termination according to Public Procurement Law and Law on International Sanctions and National Sanctions of the Republic of Latvia.* The Agreement can be immediately terminated upon giving the other Party 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. In such a case, the Principal shall pay the Service Provider the fees in respect of the Works provided under this Agreement up to the date of the notification of the termination of this Agreement and the Principal is not obliged to pay contractual or any other penalty or damages to the Service Provider. The Agreement can also be terminated immediately in case if it is not possible to fulfil the Agreement due to the application of international or national sanctions, or European Union or North Atlantic Treaty Organization applied sanctions significantly affecting interests of financial or capital market.

8.5. *Right to Advance to Completion.* In the event the Service Provider fails to fulfil any of its obligations, or fails to cure any breach in accordance with Clause 8.2, and the Agreement is terminated by the Principal, the Principal may advance the Service to completion by employing the services of other professional service supplier(s) or by other means available to the Principal. The Service Provider shall be liable to the Principal for any and all additional costs incurred due to failure by the Service Provider to perform. The rights and remedies available to the Principal set forth in accordance with this Clause 8.5 shall be in addition to any and all other rights and remedies available under Applicable Law.

8.6. *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 3.3, 3.4, 7.3, 8.6, 8.7, 9.2, 9.3., 9.4., 9.5, 9.6, 9.7, 9.8, 9.9, 9.11, 9.12, 17.1, 17.2, 17.3, 17.5, 17.6, 17.7, and Sections X, XII, XIV and XVIII 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 8.6(b).

8.7. *Partial Acceptance*. Notwithstanding anything in this Agreement to the contrary including, without limitation, the provisions of Clauses 7.5, 7.6 and in the event of termination of this Agreement, the Principal shall have the right, in the sole discretion of the Principal, to partially accept any Works, part of Works or any Service or part of the Service delivered to the Principal under this Agreement (hereinafter, the "Right of Partial Acceptance"). The Principal shall notify the Service Provider of its intention to exercise the Right of Partial Acceptance in the termination notice given in accordance with Clause 8.1 or Clause 8.4 of this Agreement, specifying, in reasonable detail, the Works, part of Works or part of the Service which the Principal would like to partially accept. In the event of receipt of such notice, the Service Provider shall reasonably cooperate with the Principal in order to ascertain transfer to the Principal of ownership in the result(s) of such Works, part of Works or part of the Service and determination of the amount of consideration payable by the Principal.

8.8. *Principal's Obligation to Pay*. Subject to the provisions of Clause 8.7 and except in the event of termination by the Principal occurring as a result of violation by the Service Provider of Clause 15.9 and/or termination by the Principal according to Clause 8.4.2 and/or 8.4.3, in the event this Agreement is terminated for any reason prior to completion of the Service, the Principal shall have an obligation to pay the Service Provider the following:

(a) the Costs incurred by the Service Provider up to the date of termination; and

(b) except where termination is due to negligence of the Service Provider, breach by the Service Provider, insolvency of the Service Provider or a Force Majeure Event under Section XI:

(i) an amount equal to the costs reasonably and properly incurred by the Service Provider as a result of or in connection with such termination; and

(ii) such additional amount as is required to put the Service Provider in the same after-tax position (taking into account the amount of any relief, allowance, deduction, set-off or credit relating to tax available to the Service Provider in respect of the payment received) as it would have been in if the payment had not been a taxable receipt in the hands of the Service Provider.

8.9. *No Obligation to Pay Costs Incurred Prior to Acceptance*. Notwithstanding anything set forth in this Agreement to the contrary including, without limitation, in accordance with Clause 8.7, the Principal shall have no obligation to pay any of the Costs incurred by the Service Provider with respect to any Works or the Service (or part of any Works or the Service) not deemed as having been accepted by the Principal in accordance with Clauses 7.5 and 7.6 of this Agreement.

8.10. *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 Applicable Law.

Section IX. INTELLECTUAL PROPERTY RIGHTS

9.1. *Proprietary Rights*. All Documentation forming part of the Deliverables developed under this Agreement is and shall become the property of the Principal regardless of whether the Service or Deliverable is produced or finally accepted. It is acknowledged and agreed by the Parties that the Principal is permitted to reproduce the drawings and distribute the prints in connection with the use or disposition of the Documentation without incurring obligation to pay any royalties or additional compensation whatsoever to the Service Provider.

9.2. *Intellectual Property in Documentation*. The Service Provider represents and warrants that it owns all Intellectual Property in all Documentation deliverable by or on behalf of the Service Provider under this Agreement and that, to the extent any Intellectual Property in any Documentation is not owned by the Service Provider, it has obtained all requisite consents from owner(s) of all Intellectual Property in the Documentation to fulfil all of the obligations undertaken by the Service Provider under this Agreement and has fully discharged all obligations with respect to payment of any royalties or fees.

9.3. *Transfer of Ownership to Principal*. The Principal shall acquire legal title to and ownership in the Intellectual Property in all Documentation deliverable to the Principal under this Agreement as of the moment of delivery by the Service Provider to the Principal of the Delivery Acceptance Note, together with the Deliverable and Documentation forming part of the Deliverable, in accordance with Clause

7.4 of this Agreement; provided, however, that the Principal has paid the Fee or other consideration payable under the terms of this Agreement with respect to the relevant part of the Service or Deliverable. For the avoidance of any doubt, such title and ownership shall confer upon the Principal, without limitation, each of the following:

(a) the right to reproduce the Documentation, or any part thereof, and distribute copies of the Documentation or any part thereof;

(b) the right to modify, amend and supplement the Documentation, or any part thereof;

(c) the right to licence the Documentation, or any part thereof, for use by others; and

(d) the right to transfer ownership in the Documentation, or any part thereof, to others.

9.4. *Grant of Limited License to Service Provider.* Upon acceptance by the Principal of any Deliverable and Documentation forming part of any Deliverable in accordance with Clause 7.4, the Principal shall be deemed to have granted the Service Provider an irrevocable and exclusive licence to reproduce, modify and distribute copies of any Documentation forming part of any Deliverable for the purposes of the Service and the Project, subject to the following restrictions:

(a) the license shall apply during the term of this Agreement only;

(b) the permitted use shall only cover the right to reproduce, modify and distribute the Documentation, or any part thereof, for the purposes of performing, implementing or modifying the Service; and

(c) the Documentation, or any part thereof, shall not, without the prior consent by the Principal, be distributed or communicated to any third party for purposes other than those permitted in accordance with this Clause 9.4.

The license in accordance with this Clause 9.4 shall be deemed to have been granted to the Service Provider as of the Completion Date.

9.5. *No Additional Royalty.* It is acknowledged and agreed by the Parties that consideration for the transfer of ownership in the Intellectual Property shall be forming part of the Fee and no additional royalty, fee or other consideration of any kind shall be payable by the Principal to the Service Provider or any third party in consideration of the transfer of ownership in the Intellectual Property in any Documentation.

9.6. *No Infringement.* The Service Provider represents and warrants to the Principal that no Documentation deliverable to the Principal under the terms of this Agreement will infringe any existing Intellectual Property of any third party. In the event any of the representations or warranties contained in this Section IX prove to be untrue or inaccurate, the Service Provider undertakes, at its own cost and expense, to defend and settle any claim raised by any third party against the Principal alleging infringement of Intellectual Property in the Documentation. The foregoing undertaking by the Service Provider shall apply subject to the following conditions:

(a) the Principal shall notify the Service Provider, without undue delay, of any third-party claim alleging infringement of any Intellectual Property in any Documentation;

(b) the Principal refrains from admitting liability under any third-party claim or acting on the account of such claim without prior approval by the Service Provider; and

(c) the exclusive control over any legal proceeding or settlement related any third-party claim shall be exercised by the Service Provider; provided, however, that the Principal shall render the Service Provider all reasonable assistance toward such proceeding or settlement, at the cost and expense of the Service Provider.

9.7. *Infringement Proceedings.* In the event the Principal is a party to legal proceedings involving allegations of infringement of any Intellectual Property in the Documentation of any third party, the Service Provider shall keep the Principal fully informed of all aspects relevant to the legal proceedings and the Principal shall have the right, at its own cost, to be represented in the legal proceedings by separate counsel. In the event the Service Provider fails to act against claims alleging infringement of any Intellectual Property in the Documentation of any third party within reasonable time but, in any event, within twenty (20) days of having been notified of such claims, the Principal shall have the right to assume legal defence against claims alleging infringement of Intellectual Property and shall be

entitled to reimbursement by the Service Provider of reasonable costs and expenses incurred toward such defence.

9.8. *Continued Use*. In the event a court of competent jurisdiction resolves in a binding judgment that the Documentation, or any part thereof, infringe Intellectual Property of any third party, the Service Provider shall, at its own cost and expense, procure for the Principal the right of continued use of the Documentation, or part thereof infringing Intellectual Property of a third party.

9.9. *License in Intellectual Property of Service Provider*. The Service Provider hereby grants the Principal an irrevocable and non-exclusive license to use, reproduce, modify and/or enhance any Intellectual Property of the Service Provider, provided and to the extent Intellectual Property of the Service Provider is used by the Principal for the purposes of the Railway and/or the Project. It is agreed and acknowledged by the Parties that the license fee for the grant of license in accordance with this Clause 9.9 forms part of the Fee and such license shall continue to be valid irrespective of expiration of this Agreement following completion of the Service or termination of this Agreement for any reason.

9.10. *Obligation to Procure Intellectual Property Rights*. Where the Service Provider is not the legal owner of any relevant Intellectual Property of the Service Provider, the Service Provider shall use reasonable endeavours to procure for the Principal the rights specified in accordance with Clause 9.4.

9.11. *Obligation to Indemnify with Respect to Uses Other Than for the Purpose*. The Principal shall defend and indemnify the Service Provider from and against any and all Damages arising from the use by the Principal of any Intellectual Property of the Service Provider other than for the purposes of the Railway and/or the Project.

9.12. *Indemnification by the Service Provider*. The Service Provider shall defend and indemnify the Principal from and against any and all Damages arising from the use by the Principal of any Intellectual Property of the Service Provider, to the extent use by the Principal is within the scope of the license granted to the Principal in accordance with Clause 9.9.

Section X. CONFIDENTIALITY

10.1. *Confidential Information*. "Confidential Information" means in relation to the Principal all information of a confidential nature relating to the Principal and its Affiliates which is supplied by the Principal (whether before or after the Effective Date) to the Service Provider, either in writing, orally or in any other form and includes all analyses, compilations, notes, studies, computer files, memoranda and other documents which contain or otherwise reflect or are derived from such information, but excludes information which:

(a) the Principal confirms in writing is not required to be treated as confidential; or

(b) the Service Provider can show that the Confidential Information was in its possession or known to it (by being in its use or being recorded in its files or computers or other recording media) prior to receipt from the Principal and was not previously acquired by the Service Provider from the Principal under an obligation of confidence; or

(c) was developed by or for the Service Provider at any time independently of this Agreement.

10.2. *Undertakings with Respect to Confidential Information*. Subject to Clauses 10.1 and 10.3, the Service Provider shall:

(a) at all times keep confidential all Confidential Information received by it and shall not disclose such Confidential Information to any other Person; and

(b) procure that its Affiliates its and their officers' employees and agents shall keep confidential and not disclose to any Person any Confidential Information, except with the prior written consent of the Party to which such Confidential Information relates.

10.3. *Permitted Disclosures*. Notwithstanding anything to the contrary set forth in accordance with Clauses 10.1 and 10.2, the Service Provider shall, without the prior written consent of the Principal, be entitled to disclose Confidential Information:

(a) that is reasonably required by the Service Provider 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 Service Provider to perform its obligations under this Agreement;

(b) to enable a determination to be made pursuant to Section XVIII;

(c) to its lenders or their professional advisers, any rating agencies, or its insurance advisers but only to the extent reasonably necessary to enable a decision to be taken on the proposal;

(d) to the extent required by Applicable Law or pursuant to an order of any court of competent jurisdiction, any parliamentary obligation or the rules of any stock exchange or governmental or regulatory authority having the force of law; or

(e) to the extent Confidential Information has become available to the public other than as a result of any breach of an obligation of confidence; provided that any such disclosure is made in good faith.

10.4. *Obligation of Confidentiality Pertinent to Recipients of Confidential Information*. Whenever disclosure is permitted to be made pursuant to Clause 10.3(a), (c), the Service Provider shall require that the recipient of Confidential Information be subject to the same obligation of confidentiality as that contained in this Agreement.

10.5. *Certain Obligations on Termination of Agreement*. If this Agreement is terminated for whatsoever reason, the Service Provider shall:

(a) return to the Principal all of the Confidential Information then within the possession or control of the Service Provider; or

(b) destroy such Confidential Information using a secure and confidential method of destruction.

10.6. *No Press Release by Service Provider*. Save as required by Applicable Law, the Service Provider shall not issue any press release in relation to the matters contemplated under this Agreement without the prior written consent of the Principal (such consent not to be unreasonably withheld or delayed) as to both the content and the timing of the issue of the press release

10.7. *Right to Publish*. For the avoidance of any doubt, the Principal shall have the right to publish any of the documents, information or data provided by the Service Provider to the Principal during provision of the Service.

10.8. *Remedies*. The Parties acknowledge and agree that a breach of the provisions of this Section X may cause the owner of Confidential Information to suffer irreparable Damage that could not be adequately remedied by an action at law. Accordingly, the Service Provider agrees that the owner of Confidential Information that is disclosed in breach of Clauses 10.2, 10.4 or 10.6 may be entitled to specific performance of those provisions to enjoin a breach or attempted breach thereof and to any other remedy, including, inter alia, damages and injunctive relief, awarded by a court of competent jurisdiction.

Section XI. FORCE MAJEURE

11.1. *Effects of Force Majeure*. Subject to the requirements set forth in accordance with Clauses 11.2 and 11.3 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.

11.2. *Action Upon Becoming Aware of Force Majeure*. 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

(c) 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 11.2 (a).

11.3. *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 ten (10) 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 11.2 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.

11.4. *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).

11.5. *Mitigation of Effects of Force Majeure*. As soon as practicable after the notification specified pursuant to Clause 11.3, the Parties shall use reasonable endeavours to agree appropriate terms or modifications to the Scope of Service or the particular Service Order to mitigate the effects of the Force Majeure Event and to facilitate the continued performance of this Agreement.

Section XII. RIGHT TO AUDIT

12.1. *Right to Audit*. Notwithstanding anything to the contrary set forth in this Agreement including, the Principal itself, a reputable outside independent body or expert engaged and authorized by the Principal shall be entitled to inspect and/or audit the Service Provider to ensure compliance with the terms of this Agreement, including inspecting and/or auditing:

(a) the performance of any aspect of the Service; and/or

(b) any documentation, including all payrolls, accounts of the Service Provider and/or other records used in or related to the performance of the Services.

12.2. *Obligation to Assist*. The Service Provider shall provide all reasonable assistance to the Principal or the independent body authorized by the Principal in carrying out any inspection or audit pursuant to this Section XII. The Principal shall be responsible for its own costs, or the costs incurred by the outside independent body designated by the Principal, incurred toward carrying out such inspection or audit, unless, in the case of any such audit, that audit reveals that the Service Provider is not compliant with the terms of this Agreement, in which case the Service Provider shall reimburse the Principal for all of its additional reasonable costs incurred, provided such non-compliance is material.

12.3. *Survival of Termination*. The rights and obligations of the Parties set forth in accordance with this Section XII shall survive expiration or termination of this Agreement for any reason and shall continue to apply during ten (10) years following expiration or termination of this Agreement for any reason whatsoever.

Section XIII. ON-THE-SPOT-VISITS

13.1. *Right to perform On-the-Spot visits*. By submitting a written notice five (5) Working Days in advance, but at the same time reserving the right of an unannounced on-the-spot visit without an advance notice, the Principal may carry out on-the-spot visits to the sites and premises where the activities implemented within the Agreement are or were carried out.

13.2. *Personnel involved.* On-the-spot visits may be carried out either directly by authorised staff or representatives of the Principal or by any other outside body or third party authorised to do so on behalf of the Principal. Information provided and collected in the framework of on-the-spot visits shall be treated on confidential basis. The Principal shall ensure that any authorised outside body or third party shall be bound by the same confidentiality obligations.

13.3. *Access to the information.* Service Provider shall provide to the performer of the on-the-spot visit or any other authorised outside body or third party access to all the information and documents, including information and documents in electronic format, which is requested by the authorised staff of the performer of the on-the-spot visit or any other authorised 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 authorised staff of the performer of the on-the-spot visit or any other authorised outside body or third party the copying of the information and documents, with due respect to the confidentiality obligation.

13.4. *OLAF checks and inspections.* By virtue of Council Regulation (Euratom, EC) No 2185/961 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities and Regulation (EU) No 883/20132 of the European Parliament and the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF), OLAF may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by European Union law for the protection of the financial interests of the European Union against fraud and other irregularities. Where appropriate, OLAF findings may lead to criminal prosecution under national law.

Section XIV. NOTICES AND COMMUNICATION

14.1. *Communication*. Communication under the Agreement (e.g. information, requests, submissions, formal notifications, etc.) must:

(a) be carried out in English or another language preferred by the Parties;

(b) be made in writing (including electronic form);

(c) be carried out between the authorized representatives of the Parties, including the Representatives as specified in *Annex G: Representatives* or additional contact persons as laid down in the corresponding Service Order.

14.2. *Communication via e-mail.* During the execution of the Agreement, the communication via e-mail shall be executed between the Representatives or additional contact persons indicated in the corresponding Service Order.

14.3. Communications by e-mail are deemed made when they are sent by the sending Party and receipt is confirmed by the receiving Party, unless the sending Party receives a message of non-delivery. Sending Party is responsible to get confirmation that a message (with all its contents) sent via e-mail was received.

14.4. Service Orders, notices, declarations and invoices shall be deemed received:

(a) if delivered by hand, on the first Working Day following the delivery day;

(b) if sent by post, on the fifth Working Day after the date of posting;

(c) if sent by e-mail, the same Working Day if sent prior to 17:00 o'clock and the next Business Day if sent after 17:00 o'clock (Latvian time applies).

14.5. If the final day of a time period referred to in this Agreement is Saturday, Sunday or a legal holiday in the Republic of Latvia, the following Working Day shall be considered the final day of the respective period.

Section XV. MISCELLANEOUS PROVISIONS

15.1. *Alteration Requests by Principal*. Notwithstanding any provisions in this Agreement to the contrary, whenever the Principal reasonably considers that an Alteration is necessary:

(a) to address, alleviate or comply with (as appropriate) a Mandatory Alteration; or

(b) to address the results of Survey Works, to the extent necessary to attain the purposes of the Project; or

(c) to address changes to the underlying assumptions set out in the Scope of Service,

the Principal shall send to the Service Provider a written notice requesting an Alteration to the Scope of Service and/or ay other Annex of the Agreement (hereinafter, the "Alteration Request") to the extent that the Alteration is reasonable in the circumstances. For the avoidance of any doubt, no Alteration shall be effective unless and until agreed in writing by both Parties, and it shall comply with the mandatory requirements of the Public Procurement Law of the Republic of Latvia

15.2. *Alteration Requests by Service Provider*. Where the Service Provider reasonably considers that an Alteration is necessary:

(a) to address, alleviate or comply with (as appropriate) a Mandatory Alteration; or

(b) address the results of Survey Works, to the extent necessary to attain the purposes of the Project; or

(c) to address changes to the underlying assumptions set out in the Scope of Service,

the Service Provider shall send to the Principal an Alteration Request to the extent that the Alteration is reasonable in the circumstances. For the avoidance of any doubt, no Alteration shall be effective unless and until agreed in writing by both Parties, and it shall comply with the mandatory requirements of the Public Procurement Law of the Republic of Latvia.

15.3. *Certain Representations and Warranties by Parties.* Each Party represents and warrants to the other Party, as of the Effective 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. Each Party further acknowledges that it has read this Agreement, understands it and agrees to be bound by it;

(b) 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;

(c) it has entered into this Agreement without having any intention or goal whatsoever to violate the Applicable Law, its own Statutes, other constitutional documents or agreements of any kind to which it is a party;

(d) 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 Republic of Latvia; and

(e) it has entered into this Agreement of its own volition and in good faith.

15.4. Certain Representations and Warranties by Service Provider. The Service Provider represents and warrants to the Principal, as of the Effective Date, as follows:

(a) it has all requisite qualification, skills and competence to provide the Service to the Principal on the terms and conditions of this Agreement which are no less favourable than the terms and conditions of service identified by the Service Provider in any document submitted by the Service Provider to the Principal as part of the Procurement Procedure and on the terms of the Service Provider's Proposal identified in accordance with Service Provider's Proposal;

(b) it has all requisite ability to ensure the highest quality of the Service;

(c) it will assign competent and duly qualified personnel to carry out the Works set out in this Agreement according to the highest professional standard and Good Industry Practice;

(d) it is not deemed to be a person associated with the Principal for the purposes of Applicable Law;

(e) it is compliant with all of the requirements of the Service Provider's Declaration contained in *Annex I: Declaration of the Service Provider* and will continue to be compliant with all such requirements during the term of this Agreement;

(f) it will immediately arrange for engagement of supplemental personnel when necessary at the cost of the Service Provider. For the avoidance of any doubt, the engagement of supplemental personnel shall not require approval by the Principal, provided that this personnel complies with the Applicable Law, including the Public Procurement Law of the Republic of Latvia, and this Agreement

15.5. *Independent Contractors.* Nothing in this Agreement shall create a partnership, association or joint venture or establish a relationship of principal and agent between the Parties. Neither Party shall have any authority (unless expressly conferred in writing by virtue of this Agreement or otherwise and not revoked) to bind the other Party as its agent or otherwise.

15.6. *Successors and Assigns.* The Principal and the Service Provider 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.

15.7. *Severability*. If any provision of this Agreement shall be held to be illegal, invalid, void or unenforceable under Applicable Law of any jurisdiction, the legality, validity and enforceability of the remainder of this Agreement in that jurisdiction shall not be affected, and the legality, validity and enforceability of the whole of this Agreement shall not be affected in any other jurisdiction.

15.8. *Waivers*. No waiver by either Party of any default by the other Party in the performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default, irrespective of the character of such default. No failure or delay by either Party in exercising any of its rights, power or privileges under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise by that Party of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege.

15.9. *Conflict of Interest*. Corruption and Fraud. Notwithstanding any penalties that may be enforced against the Service Provider under Applicable Law of the country of the project, or of other jurisdictions, the Principal will be entitled to terminate the Agreement in accordance with Clause 8.4 and the Service Provider shall be deemed to have breached Clause 3.13 of the Agreement, if it is shown that the Service Provider 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 Principal, including the use of collusive practices intended to stifle or reduce the benefits of free and open competition.

15.10. *Entire Agreement*. This Agreement, and all of the Annexes hereto, constitute 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. Each Party acknowledges that it has not been induced to enter into this Agreement by any representation, warranty or undertaking not expressly incorporated herein.

15.11. *Amendments and Variations*. No amendment to or variation of this Agreement shall be effective unless made in writing and signed by duly authorized representatives of both Parties. The Agreement can be amended in compliance with the provisions of the Public Procurement Law of the Republic of Latvia, including but not limited to the provisions of Article 61.

15.12. *Execution*. This Agreement is executed as an electronic document.

Section XVI. PAYMENT

16.1. *Fee*. In consideration of the provision of the Services, the Principal undertakes to pay the Service Provider a Fee in the amount set forth in the particular Service Order based on the rates provided under *Annex C*: *Service Rates* (hereinafter, "Fee"). It is acknowledged and agreed by the Parties that Fee shall include all Costs and expenses, incurred by the Service Provider and Approved Sub-Contractors toward carrying out the Service. For the avoidance of any doubt, Fee specified by this Clause 16.1 shall exclude value-added tax that will be charged at the rate applicable by the Applicable Law at the time of invoicing.

16.2. *Invoicing*. According to the Service Order and following each Completion Date, provided that the Principal has accepted the particular Deliverable which the invoice is related to, the Service Provider shall deliver to the Principal an invoice containing a reasonably detailed breakdown of all Deliverables confirmed by the Principal included in the invoice. In the event, the Principal objects to payment of any amount claimed by the Service Provider in the invoice, notice in the form chosen by the Principal to this effect shall be given by the Principal to the Service Provider not later than seven (7) Working Days before the due date for payment under Clause 16.3. This notice of objection shall state the amount to be withheld, the grounds for withholding the payment, and the basis on which that amount is calculated. Unless such notice of objection is given by the Principal, the amount to be paid is that stated in the invoice which shall become due and payable. For the avoidance of any doubt, the Principal shall not be required to pay any amount under this Agreement for any part of the Service that has not been accepted by the Principal by Clauses 7.4, 7.5 and 7.6 of this Agreement.

16.3. *Payment*. Subject to the provisions of Clauses 16.1, the Principal reserves the right to make the payments to the Service Provider with set-off, retention, counterclaim, abatement, or other deduction of any kind if the nature of such set-off, retention, counterclaim, abatement or other deduction arises

from this Agreement and the obligations of the Service Provider provided herein (i.e. in cases of accrued contractual penalty amounts, etc.). If the Principal uses the right to make the payments to the Service Provider with set-off, retention, counterclaim, abatement, or other deduction of any kind, then the Principal so notifies to the Service Provider no later than on the date of the respective payment stating the amount, the grounds and the basis on the Principal uses its right to set-off, retention, counterclaim, abatement or other deduction. Invoices shall be paid within thirty (30) days after the date of issue of the invoice. For the avoidance of any doubt, the Principal shall not be required to pay any amount for any invoice in the absence of a Delivery Acceptance Note duly signed by the Principal.

16.4. *Costs and Commissions.* 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.

16.5. *Compliance with Tax Obligations in the Republic of Latvia.* It is acknowledged and agreed by the Parties that the amount of Fee shall include all taxes and duties payable by the Service Provider in the consequence of provision of the Service, except value added tax (VAT). The Service Provider shall, at the sole cost and expense of the Service Provider, comply with the obligation to pay all taxes and duties relevant to the provision of the Service in the Republic of Latvia and in accordance with Applicable Law of the Republic of Latvia. In addition, the Service Provider shall assume all risks associated with the payment or obligation to pay such taxes and duties, if any. The Service Provider 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.

16.6. *Invoice.* The Service Provider shall send the invoice to the Principal electronically to the following e-mail address: invoices@railbaltica.org. The invoice shall contain the following details about the Agreement:

Service Provider	SIA "TRIPLE BOUNCE"
Registration No	40003955598
VAT payer's No or indication that The Service provider is not a VAT payer	LV40003955598
The Principal's VAT No	LV40103845025
Address (street, house, area, country, postcode)	Tērbatas street 49/51-9, Riga, Latvia, LV-1011
Name of Bank (legal name)	[CONFIDENTIAL]
Bank SWIFT Code	[CONFIDENTIAL]
Bank IBAN Account No	[CONFIDENTIAL]
Subject:	For providing creative and communication services Grant Agreement under the Connecting Europe Facility (CEF) - Transport Sector Agreement Action 2019-EU-TMC-0282-S, Activity No 8, International promotion, engagement, cooperation, communication and PR and Action 2016-EU-TMC-0116-M, Activity No 12, Global Project business development and marketing activities (Phase I).

Section XVII. LIABILITY

17.1. *Liability of the Parties.* The Service Provider shall be liable to compensate Damages incurred by the Principal arising out of or in connection with this Agreement and pay contractual penalty set forth in accordance with Clause 17.2 if a breach of any of the obligations of the Service Provider under this Agreement is established against the Service Provider. The Principal shall be liable to pay the contractual penalty set forth in accordance with Clause 17.2 if a breach of payment obligations of the Principal under this Agreement is established against the Principal.

17.2. *Contractual Penalty*. In the event of failure by the Service Provider to meet any Service Milestone and/or supply any Deliverable, the Service Provider shall be liable to pay to the Principal a penalty of zero point one percent (0.1%) of the amount of the Fee payable under this Agreement with respect to the relevant Service for each day of delay with meeting any of the Service Milestones and/or supplying any of the Deliverables set forth in accordance with the Service Order, provided, however, that the total amount of penalty payable by the Service Provider under this Clause 17.2 for the relevant Service, as specified according to the Service Order shall not exceed ten percent (10%) of the total amount of the Fee payable in consideration of such Works and Service. In the event of failure by the Principal to pay any amount in accordance with Clause 16.1., the Principal shall be liable to pay to the Service Provider a penalty of zero point one percent (0.1%) of the amount of the amount invoiced for each day of delay with meeting the payment obligation; provided, however, that the total amount of penalty payable by the Principal under this Clause 17.2 shall not exceed ten percent (10%) of the total amount remaining unpaid under the relevant invoice.

17.3. *Compensation for Damages*. Notwithstanding of and without prejudice to any contractual penalty payable in accordance with Clause 17.2 and subject to the provisions of Clause 17.5, in the event it is established that either Party is liable to the other Party with respect to any breach of its respective obligations under this Agreement, the liable Party shall compensate the other Party for any Damages incurred as a result of such breach, subject to the following terms:

(a) the amount of compensation shall be limited to the amount of reasonably foreseeable Damages suffered as a result of the breach(es), but not otherwise;

(b) in any event, the amount of compensation shall be limited to the amount specified in accordance with Clause 17.6;

(c) 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.

17.4. *Attribution of Damages*. Any Damages suffered by either Party shall, for the purposes of Clause 17.3, be reduced to the extent that the Damages are caused by or contributed to by the other Party's own negligence or breach of its obligations under this Agreement.

17.5. *Limitation of Liability*. Notwithstanding anything to the contrary set forth in this Agreement, in no circumstances shall the Service Provider or the Principal be liable to one another for any loss of production, loss of profit, loss of revenue, loss of contract, liability incurred under other agreements (with the exception of costs paid by the Principal to contractors appointed by the Principal in relation to the Service or the Project) or any indirect or consequential loss arising out of or in connection with this Agreement.

17.6. *Liability Cap*. Subject to the provisions of Clause 17.7, the maximum aggregate liability of each Party to the other Party for any reason arising under, or in connection with, this Agreement or the Project including but not limited to breach of agreement, or for breach of Applicable Law shall not exceed an amount equal to EUR 165 000,00 (one hundred sixty-five thousand euros, zero cents). Notwithstanding the above limitation, where, in respect of the same event, a Party recovers any amount of money under an insurance policy, it shall pay such amounts to the other Party. Each Party shall use reasonable endeavours to make such recovery under any insurance policy (which shall include an obligation to make and diligently pursue a claim but shall not include an obligation upon the Party to take legal action).

17.7. *Non-Applicability of Liability Cap*. The provisions of Clause 17.6 shall not apply to Damages incurred by either Party as a result of:

(a) any liability in respect of death or personal injury resulting from a negligent act or omission or breach of statutory duty by the liable Party or any employee of the liable Party;

(b) the fraud, fraudulent misrepresentation, reckless misconduct or gross negligence of the liable Party or, in the case of the Service Provider, any Approved Sub-Contractor of the Service Provider; and/or

(c) infringement of any Intellectual Property of a third party.

Section XVIII. GOVERNING LAW AND RESOLUTION OF DISPUTES

18.1. *Governing Law.* This Agreement shall be governed by and construed in accordance with the law of the Republic of Latvia.

18.2. *Resolution by Amicable Means.* The Parties shall first attempt to settle any dispute, controversy or claim arising out of or relating to this Agreement by way of amicable negotiations prior to submitting them to the court.

18.3. *Venue for Resolution of Disputes.* Should the Parties fail to agree by means of amicable negotiations within the time period of thirty (30) days from the date of serving of the respective written complaint to the other Party, the Parties shall submit all their disputes arising out of or in connection with this Agreement to the exclusive jurisdiction of the courts of the Republic of Latvia. 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.

Signed by:	Signed by:
For and on behalf of the Principal:	For and on behalf of the Service Provider:
_____	_____
Name, title: **Agnis Driksna** Chairperson of the management board RB Rail AS	Name, title: **Vivita Ančupāne** Chairperson of the Board SIA "Triple Bounce"

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

Annex A: DEFINITION AND COMMON TERMS

The following capitalized terms shall be ascribed the following meaning for the purposes of the Agreement:

(a) "Affiliate", in relation to any company:

(i) a company which is either a holding company or a subsidiary of such company; or

(ii) a company which is a subsidiary of a holding company of which such company is also a subsidiary.

(b) "Agreement", this Agreement, together with all Annexes thereto.

(c) "Alteration", any material change to the Scope of Service, Fee or Service Milestone which is not the result of the ordinary process of developing the scope and detail of the Project.

(d) "Alteration Request", as defined in accordance with Clause 2.3 of the Agreement.

(e) "Applicable Law" or "Law", any legislative act, regulation, decree, order, ordinance, statute, treaty, directive, judgment, or other legislative measure. For the avoidance of any doubt, the term "Applicable Law" shall include any legislative act or directive relevant to public procurement.

(f) "Approved Staff", any person listed pursuant to *Annex D: List of Approved Sub-Contractors and Staff*, which is in a contractual relationship with the Service Provider to provide a part of the Service.

(g) "Approved Sub-Contractor", any Person or organisation listed pursuant to *Annex D: List of Approved Sub-Contractors and Staff* which is in a contractual relationship with the Service Provider to provide a part of the Service.

(h) "Change in Standards", the coming into effect of a CEF Standard and Grant Agreement Standard or of any amendment thereto, or of a Service Provider Standard or of any amendment thereto, with which the Service Provider is obliged to comply.

(i) "Completion Date", as defined in accordance with Clause 7.4 or 7.6, as appropriate.

(j) "Confidential Information", as defined in accordance with Clause 10.1 of the Agreement.

(k) "Costs", direct costs reasonably incurred in relation to the Project or any act or series of acts required under the Agreement. Specifically, Costs shall include any of the following:

(i) costs of all materials and supplies forming part of the Service, including transportation and storage expenses (discounts for cash or prompt payments will not reduce these costs);

(ii) salaries for personnel in the direct employ of the Service Provider in the performance of the Service or relating to the Service;

(iii) salaries of the Service Provider's employees for the time that they spend in connection with the Service;

(iv) payments to Sub-Contractors for Work relating to the Service;

(v) costs of all employee benefits and taxes for items such as social security and other benefits for the abour and employees;

(vi) costs, including transportation and maintenance, of equipment and hand tools not owned by workmen employed by the Service Provider which are employed or consumed toward the Service;

(vii) payments for rental charges for machinery, equipment, facilities and tools used in connection with the Service, and payments for installations, repairs, replacements, dismantling, removal, lubrication, transportation and delivery of those rental items;

(viii) other transportation costs incurred in connection with the Service;

(ix) that portion attributable to this Agreement of premiums for insurance that is required by this Agreement or by law to be obtained or maintained by the Service Provider;

(x) sales, use, gross receipts or other taxes related to the Service, imposed by any governmental authority, to the extent that the Service Provider is responsible for such taxes;

(xi) fees payable with respect to any Necessary Consents, permit fees, licenses or tests that the Service Provider is required to obtain or reasonably obtains to carry out the Service;

(xii) costs of long-distance telephone calls, telephone service at the site and postage relating to the Service;

(xiii) costs associated with any Alteration as to which the Service Provider is entitled to payment hereunder;

(xiv) costs of any data processing services used in connection with the performance of the Work required under this Agreement; and

(xv) losses and expenses, not compensated by insurance, sustained by the Service Provider in connection with the work under this Agreement, provided they resulted from causes other than the fault or neglect of the Service Provider.

(n) "Corrective Period", as defined in accordance with Clause 8.2

(o) "Cure Period", as defined in accordance with Clause 7.3

(p) "Damages", any cost, claim, damage, demand, loss, expense or liability incurred by the relevant Party or Person.

(q) "Defect", is a part of the Service which is not in accordance with either the Service Order, Scope of Service, Applicable Law or Good Industry Practice.

(r) "Deliverable", any information, notes, material, drawings (including drawings in 3D model), records, computer files, documents and/or other items which the Service Provider is required to deliver to the Principal as part of the Service, as further specified under the Service Order.

(s) "Delivery Acceptance Note", as defined in accordance with Clause 7.4.

(t) "Documentation", all records, correspondence, and computer files of the Service Provider, its employees, engineers, and consultants pertaining to the Project.

(u) "Effective Date", as first above specified in the Preamble to this Agreement.

(v) "EUR" and "euro", the official currency of the eurozone, officially known as the Eurozone.

(w) "Fee", as specified under Clause 16.1.

(x) "Force Majeure Event", any of the following events:

(i) an act of the public enemy or war (declared or undeclared), threat of war, revolution, riot, insurrection, civil commotion, demonstration or sabotage;

(ii) an act of vandalism or accidental damage or destruction of machinery, equipment, track or other infrastructure;

(iii) 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);

(iv) nuclear, chemical or biological contamination, pandemic, quarantine;

(v) pressure waves caused by devices travelling at supersonic speeds; and/or

(vi) strike, lockout or other industrial action other than involving the Service Provider or the Principal.

(cc) "Good Industry Practice", 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 works or services of a similar size, nature, scope, type and complexity, complying with Applicable Law, applicable Standards and published codes of practice.

(ee) "Intellectual Property", all intellectual property rights in any part of the world in respect of any documentation, data, material or information provided by the Service Provider to the Principal, including any patent, patent application, registered design, registered design application, utility model, discovery, invention, process, formula, specification, copyright (including all neighbouring rights, rights in computer software and database and topography rights), know-how or unregistered design right.

(ff) "Intellectual Property of Service Provider", all Intellectual Property owned or licensed to the Service Provider with a right to sub-license.

(gg) "Mandatory Alteration", any Alteration necessitated by:

(i) any specific change in Law; and/or

(ii) any Change in Standards for safety reasons.

(hh) "Necessary Consents", all approvals, permissions, consents, licenses, certificates, registrations and authorizations (whether statutory or otherwise), which may be required from time to time for the purposes of carrying out the Project.

(ii) "Objection Notice", as defined in accordance with Clause 7.5.

(jj) "Party" and "Parties", the Principal and the Service Provider and include the respective successors in title, permitted assigns and permitted transferees of the Parties.

(kk) "Person" shall include any natural person, company, corporate body, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) or two or more of the foregoing.

(ll) "Procurement Procedure", as defined in accordance with Recital (B) of the Agreement.

(mm) "Project", development of a 1,435 mm standard gauge railway line in the Rail Baltica (RB) corridor through Estonia, Latvia and Lithuania aimed at eliminating the technical bottleneck due to the gauge differences (1,520 mm vs. the EU standard of 1,435 mm).

(nn) "Principal", the company RB Rail AS, as further specified in the Preamble of this Agreement, which employs the services of the Service Provider, and legal successors to the Service Provider and permitted assignees of the Service Provider.

(oo) "Railway", new fast conventional double track electrified railway line with the maximum design speed of 240 km/h and European standard gauge (1,435 mm) on the Route.

(pp) "Representative", the person appointed by each Party in accordance with Clause 5.2 to manage the performance of any work or delivery of any service under this Agreement.

(qq) "Right of Partial Acceptance", as defined in accordance with Clause 8.7.

(rr) "Service", the entirety of Works that are to be provided on an on-demand basis by the Service Provider in accordance with the Agreement.

(ss) "Service Order", a document substantially in the form enclosed as *Annex E: Service Order* hereto which, amongst others, provide the scope of Service, Service Milestones and the Fee for the Service, to be issued by Principal and confirmed by Service Provider.

(tt) "Service Milestone", the date for delivery of one or more Deliverables, as set out in respective Service Order.

(uu) "Service Provider", the company SIA "Triple Bounce" as further specified in the Preamble of this Agreement, which is employed by the Principal as an independent professional contractor to perform the Service, and legal successors to the Principal and permitted assignees of the Principal.

(vv) "Service Provider's Proposal", as defined in accordance with Recital (B) of the Agreement.

(ww) "Standards", CEF Standards and Grant Agreement Standards.

(xx) "Survey Works", any in-the-field/on-the-spot survey (intrusive or non-intrusive), inspection, examination or testing necessary to ensure any part of the Service.

(yy) "Working Day", any day (other than Saturday or Sunday) on which Latvijas Banka (Central Bank of Latvia) is open for conduct of business.

(zz) "Works", all works, activities, steps and actions, in any form, performed by the Service Provider under this Agreement for the attainment of the objectives of the Service and/or the Project.

1. Introduction to Rail Baltica Global project

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 railway line with overall length of 890 km 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 speed of 249km/h.

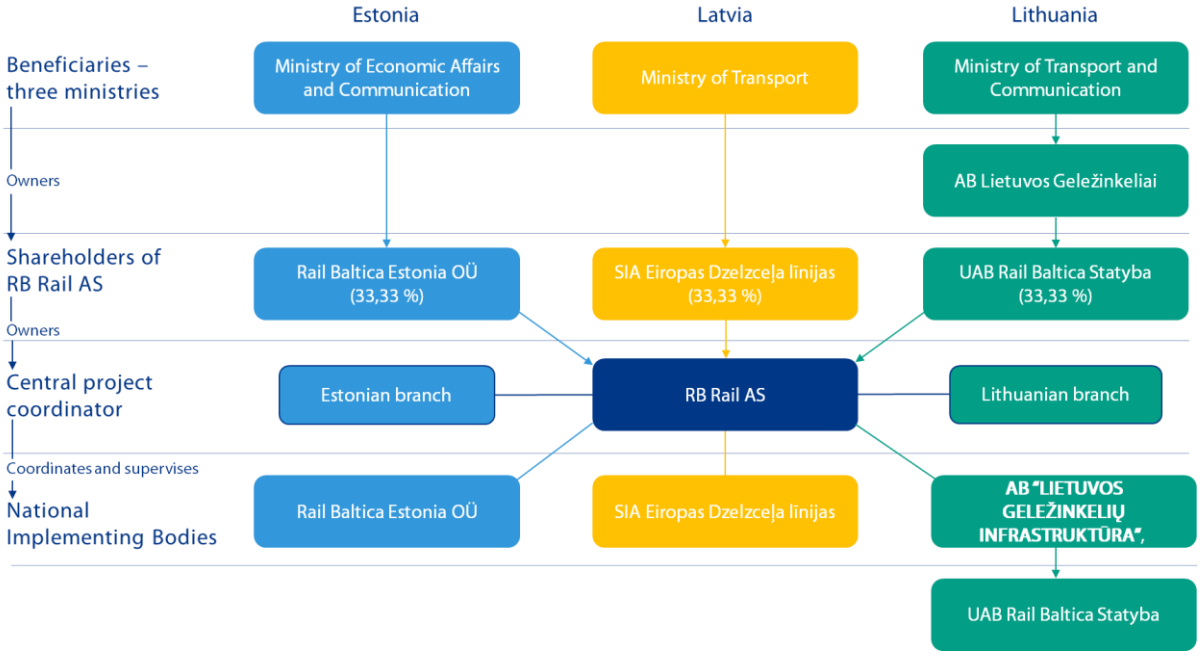
Railway line for both passenger and freight transport shall be interoperable with the TEN-T Network in the rest of Europe and competitive in terms of quality with other modes of transport in the region.

Rail Baltica is 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. 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.

The Contracting Authority RB Rail AS (hereinafter - RBR) 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. The main technical parameters are in full compliance with TSI INF (COMMISSION REGULATION (EU) No 1299/2014) and they are detailed in Design Guidelines. The key design criteria to follow are (non-exhaustive list):

- double track, mixed passenger and freight traffic line, design speed on the main track 249 km/h;
- axle load 25 t;
- rolling stock gauge class SE-C;
- distance between track centres at least 4.50 m on the main tracks;
- all pedestrian, road and 1520mm rail crossings only as over or under crossings (segregated grade crossings), fencing and noise barriers where needed;
- ETCS L2 B3 R2 without trackside signalling and GSM-R B1 with possible update to the newest version of TSI-CCS, including FRMCS implementation;
- electrification 2x25 kV AC;
- maximum train length: 1050 m - for freight trains and 400 m - for passenger trains;
- height of passenger platforms 550 mm.

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



The expected core outcome of the Rail Baltica Global project is a European gauge (1435mm) double-track railway line 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. Procurement aim:

The aim of this procurement is to provide creative and communication services to RB Rail AS and support Global Project communication efforts in the Baltic States. To achieve this aim, RB Rail AS will require support with the development of information materials, information campaigns and digital content for Rail Baltica information channels and media in local Baltic languages and in English.

This procurement is launched to carefully select a marketing service provider Selected service provider will work with the RB Rail AS Communications Department, Strategy Development Department and RB Rail AS branches to support their communication and public information efforts with necessary digital, print and video content.

3. Procurement subject (scope of works):

- **Strategic consultation and advice** on the best communication approach, tools, instruments, channels and messages for reaching various audiences in Estonia, Latvia and Lithuania and EU.
- **Graphical design and technical layout** for information and communications materials such as banners, infographics, animated infographics, leaflets, magazines, exhibition stand, branded templates for social media, corporate presentations etc. The materials should be prepared in English, Latvian, Estonian and Lithuanian, thus, the native speaking copywriters of Estonian, Latvian and Lithuanian should be engaged in fulfilling the task as well as text editors, proofreaders and translators.
- **Video material production** for Rail Baltica series and other multi-media campaigns need for the communication and marketing purposes. To follow the visual solution used previously, the video materials for project promotion campaigns must include animation. In addition, video content production from key events to be used for the documentation of Rail Baltica project development.
- **Copywriting** for websites, social media campaigns, newsletters, articles and other digital and print media channels on demand. Depending on the audience, copywriting will be done in

the local languages of the Baltic States and English. If necessary, the texts provided by copywriters must be checked by professional text editors with experience in in journalism, communications or other field where the expert has obtained education on editing.

- **Development of the official documentation templates** such as Word documents, PowerPoint presentations, according to the Rail Baltica corporate guidelines.
- Other marketing related services.

An example of the approximate amount of similar services and ordered expert hours during the year 2020 (please be aware, that ***this is only an example from the Contracting Authority`s previous experience*** *and amounts indicated below* ***are not binding in any way to the Tenderer or Contracting Authority within this Open competition*** *and may change in year 2021 within the Contract concluded as a result of this Open competition):*

- *6 video production services;*
- *1 3D train model development;*
- *42-hour work of Strategy director;*
- *102-hour work of Graphical designer;*
- *101-hour work of Account manager:*
- *54-hour work of English copywriter.*

Annex C: SERVICE RATES

(a) Hourly rates of experts:

Item:	Account manager (EUR, excluding VAT)	Creative director (EUR, excluding VAT)	Strategy director (EUR, excluding VAT)	Copywriter (English) (EUR, excluding VAT)	**Graphical designer** (EUR, excluding VAT)	Animator (EUR, excluding VAT)	Editor (EUR, excluding VAT)	*Total for all items together (EUR, excluding VAT)*
Rate per hour	[CONFIDENTIAL]	[CONFIDENTIAL]	[CONFIDENTIAL]	[CONFIDENTIAL]	[CONFIDENTIAL]	[CONFIDENTIAL]	[CONFIDENTIAL]	290.00

(b) Costs of developing selected marketing materials:

Item:	Costs (EUR, excluding VAT)
Presentation - 8 slides which include special design of graphs and illustrations	[CONFIDENTIAL]
Magazine – size 220x255mm, cover and 6 pages, both digital and printed version (for reference please use https://www.railbaltica.org/rail-baltica-magazine/**)**	[CONFIDENTIAL]
Rail Baltica miniseries creation – 2-4 minute long video in 4 languages including various sources of content, including animation, (for reference please use https://www.railbaltica.org/info/en/discover-rail-baltica)	[CONFIDENTIAL]
Infographic – graphical drawing with text, in colors, A4, in 4 languages	[CONFIDENTIAL]
Adaptation of English copywrite for Estonian, Latvian and Lithuanian, A4 page	[CONFIDENTIAL]
Editing of English text, A4 page	[CONFIDENTIAL]
Total for all items together (EUR, excluding VAT):	10765.00

Annex D: LIST OF APPROVED SUB-CONTRACTORS AND STAFF

Sub-Contractors: No Sub-Contractors involved.

Staff (Key-Experts evaluated during the procurement process):

1. Account manager: [CONFIDENTIAL]
2. Strategy director: [CONFIDENTIAL]
3. Creative director: [CONFIDENTIAL]
4. Animator: [CONFIDENTIAL]
5. Graphical designer: [CONFIDENTIAL]
6. Copywriter (EN): [CONFIDENTIAL]

Annex E: SERVICE ORDER

SERVICE ORDER NO. [●]

Riga, Date [●]

FOR THE PROVISION OF CREATIVE AND COMMUNICATION SERVICES

This Service Order has been entered into pursuant to the Agreement No **[●]** for the provision of creative and communication services between

[●], a **[●]** company registered in the **[●]** registration No **[●]**, legal address at **[●]** (the "Principal"), represented by the authorized representative **[●]** on the on side

[●], a **[●]** company organized and existing under **[●]** law, registration number with **[●]**, having its registered address at **[●]** (the "Service Provider"), represented by the authorized representative **[●]** on the other side

for providing of the Service Order by the Service Provider to the Principal on the following conditions:

1. Names of the persons to implement Service Order: [•]
2. Description of the Service and the desired result: [•].
3. Deliverables: [•].
4. Service Milestones: [•].
5. Assignment`s communication`s planning meetings (if any): [•]
6. Contact person(s) for the Principal: [•].
7. Contact person(s) for the Service Provider: [•].
8. Work load (in hours) and sum of fee in total (exclusive of VAT) for implementing expert services of Service Order: [•].
9. Fee: EUR [•] (According to the *Annex C: Service rates* of the Agreement No [•] for the provision of expert services).
10. Other terms: [•].

Principal **Service Provider**

Annex F: DELIVERY ACCEPTANCE NOTE

No: [INSERT NUMBER]

Date: [INSERT DATE IN THE FORM]

Location:

For: [•] (hereinafter, **Principal**)
This Delivery Acceptance Note (hereinafter, **Delivery Acceptance Note**) is issued to the Principal by [•], registration number, legal address (hereinafter, the **Service Provider**), represented by[INSERT REPRESENTATIVE] on the basis of [INSERT BASIS OF REPRESENTATION].

In this Delivery Acceptance Note, unless the context requires otherwise, all Definitions shall have the meaning ascribed to such terms in accordance with the [INSERT AGREEMENT DATE IN THE FORM] Professional Consultant Services Agreement No [INSERT NUMBER] (hereinafter, the **Agreement**) and *Annex A: Definitions and Common Terms* of the Agreement.

Whereas:

(A) the Principal and the Service Provider have entered into the Agreement;

(B) the following Service Milestone(s) has/have been met and the following Deliverable(s) has/have been supplied to the Principal:

(i) …… [PLEASE IDENTIFY MILESTONE]

(ii) …… [PLEASE IDENTIFY DELIVERABLE]

(C) any and all Defects have been averted or no Objection Notices have been issued;

The following Service Milestone(s) has/have been met on [INSERT DATE IN THE FORM], as specified in accordance with Service Order.

As stipulated in Clause 7.5 of the Agreement, in the event the Principal objects to approve the Delivery Acceptance Note, the Principal shall give a written notice to the Service Provider setting out in reasonable detail Defects or reasons for the objection (hereinafter, the "Objection Notice") within reasonable time following receipt of the Delivery Acceptance Note.

In the event of conflict between the text in this Delivery Acceptance Note and the Agreement, the Agreement shall take precedence.

Signatures:

RB Rail AS Principal	Service Provider

Annex G: REPRESENTATIVES

Representatives of the Principal:

Name, Surname, position: Signe Lonerte, Communication Manager, RB Rail AS

Address: Kr. Valdemāra street 8 – 7, Riga, LV-1010

Mobile phone: [CONFIDENTIAL]

e-mail: [CONFIDENTIAL]

Representatives of the Service Provider:

Name, Surname, position: Gita Cīrule-Ostvalde, Member of the Board, SIA "Triple Bounce"

Address: Terbatas street 49/51-9, Riga, LV-1011

Mobile phone: [CONFIDENTIAL]

e-mail: [CONFIDENTIAL]

Annex H: SERVICE PROVIDER'S PROPOSAL

ANNEX NO 1: APPLICATION - FINANCIAL PROPOSAL

[CONFIDENTIAL]

Annex I: DECLARATION OF THE SERVICE PROVIDER

Date: on THE DATE INDICATED ON THE TIMESTAMP OF THE SAFE ELECTRONIC SIGNATURE

Location: Riga, Latvia

I, the undersigned duly authorised representative of SIA "Triple Bounce" undertake (hereinafter, **Declaration of the Service Provider**):

(a) To respect the freely-exercised right of workers, without distinction, to organize, further and defend their interests and to bargain collectively, as well as to protect those workers from any action or other form of discrimination related to the exercise of their right to organize, to carry out trade union activities and to bargain collectively;

(b) Not to use forced or compulsory labour in all its forms, including but not limited to not employ people against their own free will, nor to require people to lodge 'deposits' or identity papers upon commencing employment;

(c) Not to employ: (a) children below 14 years of age or, if higher than that age, the minimum age of employment permitted by the law of the country or countries where the performance, in whole or in part, of a contract takes place, or the age of the end of compulsory schooling in that country or countries, whichever is higher; and (b) persons under the age of 18 for work that, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of such persons;

(d) To ensure equality of opportunity and treatment in respect of employment and occupation without discrimination on grounds of race, colour, sex, religion, political opinion, national extraction or social origin and such other ground as may be recognized under the national law of the country or countries where the performance, in whole or in part, of a contract takes place;

(e) To ensure the payment of wages in legal fashion, at regular intervals no longer than one month, in full and directly to the workers concerned; to keep an appropriate record of such payments. Deductions from wages will be conducted only under conditions and to the extent prescribed by the applicable law, regulations or collective agreement, and the workers concerned shall be informed of such deductions at the time of each payment. The wages, hours of work and other conditions of work shall be not less favourable than the best conditions prevailing locally (i.e., as contained in: (i) collective agreements covering a substantial proportion of employers and workers; (ii) arbitration awards; or (iii) applicable laws or regulations), for work of the same character performed in the trade or industry concerned in the area where work is carried out;

(f) To ensure, so far as is reasonably practicable, that: (a) the workplaces, machinery, equipment and processes under their control are safe and without risk to health; (b) the chemical, physical and biological substances and agents under their control are without risk to health when the appropriate measures of protection are taken; and (c) where necessary, adequate protective clothing and protective equipment are provided to prevent, so far as is reasonably practicable, risk of accidents or of adverse effects to health;

(g) To support and respect the protection of internationally proclaimed human rights and not to become complicit in human rights abuses;

(h) To create and maintain an environment that treats all employees with dignity and respect and will not use any threats of violence, sexual exploitation or abuse, verbal or psychological harassment or abuse. No harsh or inhumane treatment coercion or corporal punishment of any kind is tolerated, nor is there to be the threat of any such treatment;

(i) To have an effective environmental policy and to comply with existing legislation and regulations regarding the protection of the environment; wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices;

(j) To identify and manage chemical and other materials posing a hazard if released to the environment to ensure their safe handling, movement, storage, recycling or reuse and disposal;

(k) To monitor, control and treat as required prior to discharge or disposal wastewater and solid waste generated from operations, industrial processes and sanitation facilities;

(l) To characterize, monitor, control and treat as required prior to discharge or disposal air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations;

(m) To reduce or eliminate at the source or by practices, such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials, waste of all types, including water and energy;

(n) To adhere to the highest standards of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including but not limited to extortion, fraud, or bribery;

(o) To disclose (a) any situation that may appear as a conflict of interest, such as but not limited to: where a service provider or an undertaking related to the service provider has advised the Principal or has otherwise been involved in the preparation of the procurement procedure; and (b) if the Principal's, professional under contract with the Principal or Sub-Contractor may have a direct or indirect interest of any kind in the service provider's business or any kind of economic ties with the service provider;

(p) Not to offer any benefit such as free goods or services, employment or sales opportunity to a Principal's staff member in order to facilitate the service provider's business with the Principal;

(q) Within a period set in the applicable national legislation following separation from service or award of a contract, as the case may be, to refrain from offering employment to any Principal's staff in service and former Principal's staff members who participated in the procurement process and to whom a legal restriction to receive material benefits from or be employed by a service provider which participated in a procurement procedure or restrictions with similar effect applies;

(r) To promote the adoption of the principles set forth in this Declaration of the Service Provider by my potential business partners and promote the implementation of the principles set forth in this document towards own service providers;

(s) To maintain and create accurate records, annual reports and accounts, and not to alter or forge any of the mentioned in an effort to conceal, misrepresent or the actual information. All of our records, regardless of format, made or received as evidence of a business transaction must fully and accurately represent the transaction or event being documented. All of our records and reports will be retained in accordance with applicable laws and regulations and will be fully auditable;

(t) Not procure goods, works and services from other service providers:

(i) who, or its member of the Management Board or the Supervisory Board or procurator of such service provider, or a person having the right to represent such service provider in activities related to a subsidiary, has been found guilty in any of the following criminal offences by a such punishment prescription of prosecutor or a judgement of a court that has entered into effect and is non-disputable and not subject to appeal:

i. bribetaking, bribery, bribe misappropriation, intermediation in bribery, taking of prohibited benefit or commercial bribing;

ii. fraud, misappropriation or laundering;

iii. evading payment of taxes and payments equivalent thereto;

iv. terrorism, financing of terrorism, invitation to terrorism, terrorism threats or recruiting and training of a person for performance of terror acts;

(ii) who, by such a decision of a competent authority or a judgment of a court which has entered into effect and has become non-disputable and not subject to appeal, has been found guilty of an infringement of employment rights which means:

i. employment of such one or more citizens or nationals of countries, which are not citizens or nationals of the European Union Member States, if they reside in the territory of the European Union Member States illegally;

ii. employment of one person without entering into a written employment contract, not submitting an informative declaration regarding employees in respect of such person within a time period laid down in the laws and regulations, which is to be submitted regarding persons who commence work;

(iii) who, by such a decision of a competent authority or a judgment of a court which has entered into effect and has become non-disputable and not subject to appeal, has been found guilty of infringement of competition rights manifested as a vertical agreement aimed at restricting the opportunity of a purchaser to determine the resale price, or horizontal cartel agreement, except for the case when the relevant authority, upon determining infringement of competition rights, has released the candidate or tenderer from a fine or reduced fine within the framework of the co-operation leniency programme;

(iv) whose insolvency proceedings have been announced (except the case where a bailout or similar set of measures is applied within insolvency proceedings oriented towards prevention of possible bankruptcy and restoration of solvency of the debtor, in which case I shall evaluate the possibility of such service provider to participate in the tender), economic activity of such service provider has been suspended or discontinued, proceedings regarding bankruptcy of such service provider have been initiated or such service provider will be liquidated;

(v) who has tax debts in the country where the procurement is organised or a country where such service provider is registered or permanently residing, including debts of State social insurance contributions, in total exceeding an amount which is common threshold in public procurements in the respective country.

Signature:

Vivita Ančupāne

Chairperson of the Board, SIA "Triple Bounce"

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