

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

between

**RB RAIL AS**  
(the "Policyholder")

and

**"COMPENSA VIENNA INSURANCE GROUP" ADB LATVIJAS FILIĀLE**  
(the "Contractor")

RBCR-RBR-AGR-Z-00164

Agreement registration No: 1.19/LV-2025-22

Procurement procedure identification No: RBR 2025/3

Riga

2025



**Co-funded by  
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## SERVICE AGREEMENT

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

- (1) **RB Rail AS**, a joint stock company registered in the Commercial Register of the Republic of Latvia with registration number 40103845025, legal address at Satekles iela 2B, Riga, LV-1050, Latvia (the "Policyholder"), represented by [•] acting on the basis of Regulations on Representation Rights, dated 5 September 2024, on the one side,  
and
- (2) "**Compensa Vienna Insurance Group**" ADB Latvijas filiāle, a foreign merchant branch organized and existing under Latvian law registered in the Commercial Register of the Republic of Latvia, with registration number 40103942087, legal address at Vienības gatve 87H, Riga, LV-1004 (the "Contractor"), who is represented by [•], and by [•] on the other side

(both collectively referred to as the "Parties" and each separately – as the "Party").

WHEREAS:

- (A) This Agreement is entered into under the Global Project which includes all activities undertaken by the respective beneficiaries and implementing bodies of the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania in order to build, render operational and commercialise the Rail Baltica railway – a new fast conventional 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 (the "Global Project");
- (B) The Policyholder has organised procurement "Directors and Officers Liability Insurance" (identification No RBR 2025/3) (the "Procurement") whereby the Contractor's tender proposal that is added as an AnnexB: "Contractor's Proposal" to the Agreement (the "Contractor's Proposal") was selected as the winning bid;
- (C) This Agreement is co-financed from the Connecting Europe Facility funding instrument ("CEF") and other recently signed grant agreements or future grant or financing agreements to be signed;

### 1. SUBJECT OF THE AGREEMENT

- 1.1. The Contractor undertakes to ensure the provision of the Policyholder's directors and officers liability insurance for a period of 12 (twelve) calendar months (starting from the moment specified in Clause 2.1 of the Agreement), ensure issuing of a respective insurance policy (the "Policy") and perform all other obligations under the Agreement in accordance with the provisions of the technical specification contained in Annex A: "Technical specification" to the Agreement ("Technical Specification"), Contractor's Proposal and any other terms and conditions contained in this Agreement (hereinafter – the "Services").
- 1.2. On the Effective Date, or on a later date if so agreed with the Policyholder, the Contractor shall ensure delivery of the Policy to the Policyholder, which shall become as an integral part of this Agreement and shall come into force on 25 April 2025, 00:00 (Eastern European Time).
- 1.3. By signing this Agreement, the Contractor certifies that the terms and conditions of the Policy and other documents which are added by the Contractor in the Contractor's Proposal meet the requirements specified in the Technical Specification.
- 1.4. Upon signing this Agreement, the Contractor, inter alia, confirms that equal insurance coverage, i.e., limits of liability and responsibility, shall be ensured for the entire duration of the Policy and that it will be impossible for anyone other than the Policyholder to unilaterally terminate the Agreement/Policy during its validity term unless conditions explicitly stated in the Clause 2.4 of the Agreement are met.

## 2. VALIDITY PERIOD AND VALIDITY OF THE AGREEMENT

- 2.1. This Agreement shall be valid until the date when the Parties will have fulfilled their contractual obligations arising out of this Agreement. **The validity period of the Policy shall be from 25 April 2025 at 00:00 until 24 April 2026 at 23:59 (Eastern European time) and the Policy shall be valid for 24 (twenty-four) hours per day.**
- 2.2. Upon mutual agreement, the Parties shall be entitled to terminate this Agreement at any time.
- 2.3. The Policyholder shall be entitled to unilaterally terminate this Agreement and, thus, also the Policy before the expiry thereof by warning the Contractor on that in writing 15 (fifteen) calendar days in advance, if:
  - 2.3.1. the Contractor or persons engaged by it in the performance of the Agreement fail to fulfil the liabilities set in this Agreement or fulfils them in a part;
  - 2.3.2. the Contractor or persons engaged by it in the performance of the Agreement are declared as insolvent, undergoes the restructuring, winding-up proceedings or bankruptcy proceeding under the court judgement;
  - 2.3.3. a licence for provision of relevant insurance services has been annulled for the Contractor or persons engaged by it in the performance of the Agreement;
  - 2.3.4. the contractual penalty calculated for the Contractor has reached the maximum amount set in the Agreement - 10% (ten percent) from the amount of the Premium referred to in Clause 3.1 of the Agreement;
  - 2.3.5. in any other case, if there is a material breach of the Agreement.
- 2.4. The Contractor shall be entitled to unilaterally terminate this Agreement and, thus, Policy before expiry thereof by warning the Policyholder on that in writing 15 (fifteen) calendar days in advance, if:
  - 2.4.1. the Policyholder undergoes the winding-up proceedings;
  - 2.4.2. the contractual penalty calculated for the Policyholder has reached the maximum amount set in the Agreement - 10% (ten percent) from the amount of the Premium referred to in Clause 3.1 of this Agreement.
- 2.5. Upon terminating the Agreement and Policy in an unilateral manner, in accordance with Clauses 2.3 and 2.4 of the Agreement, the Contractor shall pay back to the Policyholder a part of the unused Premium, which shall be proportional with the remaining validity period of the Policy, without deducting administrative expenses, by making the repayment within 10 (ten) working days from the day of receipt of the submission of the Policyholder.
- 2.6. The Policyholder has rights to unilaterally use one or both of the following options at its sole discretion:
  - 2.6.1. to prolong the Policy's validity period indicated in Clause 2.1 of the Agreement for additional 2 (two) calendar month on the same terms and conditions, if there has not been a change in risk information, and in total not exceeding 20% (twenty percent) from the amount referred to in Clause 3.1 of this Agreement;
  - 2.6.2. to receive the provision of an extended Discovery Period in accordance with the terms of the Agreement (including the Technical Specification and Contractor's Proposal).

## 3. INSURED AMOUNT AND PREMIUM

- 3.1. The Policyholder shall pay to the Contractor the insurance premium (the "Premium") in the amount of **EUR 59 600,00 (fifty nine thousand six hundred euros, 0 cents)** for the provision of the Services and the Contractor, upon occurrence of the insured event, shall ensure that the insurance indemnity is paid.
- 3.2. In accordance with Section 52, Paragraph 1, Clause 20 of the Value Added Tax Law of the Republic of Latvia, the Policyholder shall pay the Premium without paying value added tax (the "VAT").
- 3.3. In case if regulatory enactments of the Republic of Latvia changes during the validity period of the Agreement and the Services provided by the Contractor are taxable with the VAT, the Policyholder shall

pay VAT in addition, and the amounts indicated in the Agreement shall be considered as the ones that exclude the VAT.

- 3.4. The Premium shall include all expenses related to provision of Services, except for expenses stipulated in Clause 3.3 of the Agreement.
- 3.5. The Policyholder shall pay the Premium within 30 (thirty) calendar days after the Effective Date and the day of receipt of the invoice issued by the Contractor, to the current account specified in the invoice.
- 3.6. The Contractor's invoices shall contain the following Policyholder's details and details about the Contractor:

The Contractor:	"Compensa Vienna Insurance Group" ADB Latvijas filiāle
Registration No:	40103942087
VAT payer's No or indication that the Contractor is not a VAT payer:	LV40103942087
Legal address, city, Zip code, country:	Rīga, Vienības gatve, 87H, LV-1004
Legal name of Bank:	SEB BANK
Bank SWIFT Code:	UNLALV2X
Bank Account No IBAN:	LV84UNLA0003031467640
The Policyholder's name, registration No and VAT No:	RB Rail AS Registration No. 40103845025 VAT No. LV40103845025
Subject:	For provided services according to the Agreement No. 1.19/LV-2025-22
Specific information:	<i>CEF reference if so requested by the Policyholder and/or other information requested by the Policyholder, if any.</i>

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

#### 4. RIGHTS AND OBLIGATIONS OF THE PARTIES

- 4.1. The Policyholder shall:
  - 4.1.1. comply with the terms and conditions of the Agreement;
  - 4.1.2. undertake to provide the Contractor with all information necessary for fulfilment of the Agreement which can reasonably be expected from the Policyholder;
  - 4.1.3. pay the Premium referred to in Clause 3.1 of this Agreement, in accordance with the terms and conditions of this Agreement;

- 4.1.4. be entitled to involve experts for evaluation of the insured events;
  - 4.1.5. in case if the Policyholder has not showed any objections regarding the decision taken on indemnity within 10 (ten) calendar days from the receipt of the decision (made in writing), it shall be deemed that it agrees with the decision made to the extent the Policyholder had the right to give such acceptance;
  - 4.1.6. within 10 (ten) working days after occurrence of the insured event has come to the attention of the management board of the Policyholder, notify the Contractor on the occurrence of the insured event by sending information on the insured event to e-mail address of the Contractor.
- 4.2. The Contractor shall:
- 4.2.1. ensure proper quality of the Services, in accordance with the Contractor's Proposal submitted to the Policyholder and other provisions of the present Agreement;
  - 4.2.2. undertake to precisely comply with and fulfil the provisions of the Agreement in a timely manner;
  - 4.2.3. ensure that the insurance indemnity is paid, in accordance with the amounts, procedures and terms set in applicable laws, including the Insurance Contract Law of the Republic of Latvia and this Agreement;
  - 4.2.4. in case of occurrence of the insured event, ensure that decisions regarding disbursement of the insurance indemnity and disbursement of the insurance indemnity shall be finalised within 90 (ninety) calendar days after the day of receipt of all necessary documents, which prove the occurrence of the insured event and the amount of losses;
  - 4.2.5. in case of termination of the Policy in accordance with the procedure referred to in Clause 2.5 of the Agreement, pay back a part of the unused Premium in proportion with the remaining validity period of the Policy, without deducting administrative expenses;
  - 4.2.6. ensure that the insurance terms and conditions (included in the Contractor's Proposal) shall remain unchanged for the whole validity period of the Policy;
  - 4.2.9. accept payment of the Premium in accordance with the provisions of Clause 3.1 of the Agreement and ensure that it is sufficient to issue the Policy;
  - 4.2.10. have right to organise that a part of the insurance indemnity up to the amount that is not disputed by any of the parties is disbursed, if the Policyholder (on behalf of themselves or the insured person) fails to agree with the amount of losses/compensation calculated;
  - 4.2.11. ensure that the Contractor and persons engaged by it in the performance of the Agreement will be compliant with all of the requirements of the "Supplier and Sub-Contractor Code of Conduct"<sup>1</sup> and "Supplier's Declaration"<sup>2</sup> and will continue to be compliant with all such requirements during the term of this Agreement.

## 5. REPRESENTATIONS, WARRANTIES AND LIABILITY

- 5.1. The Policyholder and the Contractor confirm by mutual signing of the Agreement that there are no circumstances prohibiting the Parties to enter into this Agreement.
- 5.2. The Contractor confirms of having all necessary rights in order to provide the Services in accordance with the terms and conditions of this Agreement.
- 5.3. Upon entering into the Agreement, the Contractor confirms that it has been informed of and has assessed all insured risks.

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<sup>1</sup> "Supplier and Sub-Contractor Code of Conduct" can be found here: [https://www.railbaltica.org/wp-content/uploads/2024/04/RBGL-RBR-STN-Z-00003\\_1.0\\_Suppl.Sub-Contr.Code-of-Conduct.pdf](https://www.railbaltica.org/wp-content/uploads/2024/04/RBGL-RBR-STN-Z-00003_1.0_Suppl.Sub-Contr.Code-of-Conduct.pdf)

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

- 5.4. The Parties shall be responsible for failure to fulfil the Agreement or improper fulfilment thereof, as well as for losses caused to the other parties, if they have occurred as a result of activity or inactivity of one Party or persons engaged by the respective Party, as well as activities or neglect caused as a result of gross negligence and evil intent. The Party at fault shall compensate to the other parties the occurring losses.
- 5.5. The Contractor shall be obliged to collect and provide the Policyholder with detailed information on the circumstances which allow the non-payment of the insurance indemnity where the interests of the Policyholder have been affected or where the Policyholder has been authorised to deal with such matters by the insured persons under the Policy.
- 5.6. If the Contractor fails to provide the Services in accordance with the deadlines indicated in the Agreement, the Policyholder is entitled to request the Contractor to pay to the Policyholder a contractual penalty in the amount of 0.1% (one tenth of a percent) from the amount of the Premium for each day of delay. The total amount of such contractual penalty shall not exceed 10 % (ten percent) from the amount of the Premium.
- 5.7. If the Contractor has issued a correct invoice and the Policyholder fails to make the payment of the Premium in accordance with the terms and conditions of this Agreement, the Contractor is entitled to request the Policyholder to pay to the Contractor a contractual penalty in the amount of 0.1 % (one tenth of a percent) from the Premium for each day of delay. The total amount of such contractual penalty shall not exceed 10 % (ten percent) from the amount of the Premium.
- 5.8. Payment of the contractual penalty shall not exempt the Parties from fulfilment of liabilities of this Agreement.

## 6. FORCE MAJEURE

- 6.1. Subject to the requirements set forth in accordance with Clause 6.2 and 6.3 of the Agreement, each Party shall be relieved from liability for non-performance of its obligations under this Agreement (other than any obligation to pay) to the extent that the Party is not able to perform such obligations due to an event that meets all the following criteria (the "Force Majeure Event"):
  - 6.1.1. It is an event that cannot be avoided and whose consequences cannot be overcome;
  - 6.1.2. It could not be foreseen at the time when the Agreement was concluded;
  - 6.1.3. It was not caused by the act of the affected Party or a person under its control;
  - 6.1.4. It makes it impossible to fulfil the obligation arising from the Agreement.
- 6.2. Each Party shall at all times, following the occurrence of a Force Majeure Event:
  - 6.2.1. take reasonable steps to prevent and mitigate the consequences of such an event upon the performance of its obligations under this Agreement;
  - 6.2.2. resume performance of its obligations affected by the Force Majeure Event as soon as practicable and use reasonable endeavours in accordance with Good Industry Practice to remedy its failure to perform; and
  - 6.2.3. not be relieved from liability under this Agreement to the extent that it is not able to perform, or has not in fact performed, its obligations under this Agreement due to any failure to comply with its obligations under Clause 6.2.1 and 6.3 of this Agreement.
- 6.3. Upon the occurrence of a Force Majeure Event, the affected Party shall notify the other Party as soon as reasonably practicable and in any event within 3 (three) working days of it becoming aware of the relevant Force Majeure Event. Such notification shall give sufficient details to identify the particular event claimed to be a Force Majeure Event and shall contain detailed information relating to the failure to perform (or delay in performing), including the date of occurrence of the Force Majeure Event, the effect of the Force Majeure Event on the ability of the affected Party to perform, the action being taken in accordance with Clause 6.2.1 of the Agreement and an estimate of the period of time required to overcome the Force Majeure Event. The affected Party shall provide the other Party with any further information it receives or becomes aware of which relates to the Force Majeure Event and provide an update on the estimate of the period of time required to overcome its effects.



- 6.4. The affected Party shall notify the other Party as soon as practicable once the performance of its affected obligations can be resumed (performance to continue on the terms existing immediately prior to the occurrence of the Force Majeure Event).
- 6.5. As soon as practicable after the notification specified pursuant to Clause 6.4 of the Agreement, the Parties shall use reasonable endeavours to agree appropriate terms or modifications to the scope of Services to mitigate the effects of the Force Majeure Event and to facilitate the continued performance of this Agreement.

## 7. CONFIDENTIALITY

- 7.1. Confidential Information means, in relation to the Policyholder, all information of a confidential nature relating to the Policyholder and its affiliates which is supplied by the Policyholder (whether before or after the date of this Agreement) to the Contractor, either in writing, orally or in any other form and includes all analyses, compilations, notes, studies, memoranda and other documents and information which contain or otherwise reflect or are derived from such information (the "Confidential Information"), but excludes information which:
  - 7.1.1. the Policyholder confirms in writing is not required to be treated as confidential;
  - 7.1.2. the Contractor can show that the Confidential Information was in its lawful possession or known to it (by being in its use or being recorded in its files or computers or other recording media) prior to receipt from the Policyholder and was not previously acquired by the Contractor from the Policyholder under an obligation of confidence; or
  - 7.1.3. was developed in a lawful way by or for the Contractor at any time independently of this Agreement.
- 7.2. The Contractor shall: (i) at all times keep confidential all Confidential Information received by it and shall not disclose such Confidential Information to any other person; and (ii) procure that its affiliates and its and their respective officers, employees and agents shall keep confidential and not disclose to any person any Confidential Information except with the prior written consent of the Policyholder.
- 7.3. Notwithstanding anything to the contrary set forth in accordance with this Section 7, the Contractor shall, without the prior written consent of the Policyholder, be entitled to disclose Confidential Information:
  - 7.3.1. that is reasonably required by the Contractor 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 Contractor to perform its obligations under this Agreement (subject to the same confidentiality undertakings by the recipients);
  - 7.3.2. to its lenders or their professional advisers, any rating agencies, or its insurance advisers but only to the extent reasonably necessary to enable a decision to be taken on the proposal (subject to the same confidentiality undertakings by the recipients);
  - 7.3.3. to the extent required by applicable laws or pursuant to an order of any court of competent jurisdiction, any parliamentary obligation or the rules of any stock exchange or governmental or regulatory authority having the force of law; or
  - 7.3.4. 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.
- 7.4. Upon request of the Policyholder, the Contractor shall:
  - 7.4.1. return to the Policyholder all of the Confidential Information then within the possession or control of the Contractor; or
  - 7.4.2. destroy such Confidential Information using a secure and confidential method of destruction.



- 7.5. Save as required by the applicable laws, the Contractor shall not issue any press release in relation to the matters contemplated under this Agreement without the prior written consent of the Policyholder as to both the content and the timing of the issue of the press release.
- 7.6. The Parties acknowledge and agree that a breach of the provisions of this Section 7 may cause the Policyholder irreparable damages that could not be adequately remedied by an action at law. Accordingly, the Contractor agrees that the Policyholder is entitled to specific performance of those provisions to enjoin a breach or attempted breach thereof and to any other remedy, including, inter alia, damages and injunctive relief, awarded by a court of competent jurisdiction.

## **8. AUTHORISED PERSONS OF THE PARTIES**

- 8.1. During the control of fulfilment of the Agreement the responsible person of the Policyholder shall be: [•].
- 8.2. During the control of fulfilment of the Agreement the responsible person of the Contractor shall be: [•]

## **9. GOVERNING LAW AND RESOLUTION OF DISPUTES**

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

## **10. FINAL PROVISIONS**

- 10.1. In case if any of the provisions of the Agreement becomes void as a result of amendment to regulatory enactments, this Agreement shall not become void with regard to other Clauses thereof. In such a case the Parties shall apply the Agreement in accordance with the effective regulatory enactments.
- 10.2. In case if details for any of the Parties or contact persons of the Parties or contact information thereof set in Section 8 of the Agreement are changed, the relevant Party shall notify the other Party on that in writing within 5 (five) working days from the day of occurrence of such changes. After receipt of the notification it shall become as an integral part of the Agreement. If the Party fails to fulfil the provisions of the present Clause, it shall be deemed that the other Party has fulfilled its liabilities in full by using the information available in this Agreement regarding the other Party.
- 10.3. In case of reorganisation of the Parties, this Agreement shall remain valid and the provisions thereof shall be binding to the legal successor thereof. The Party shall warn the other Party in writing on the occurrence of such circumstances ten days in advance.
- 10.4. The Parties shall agree in writing on amendments or supplementations to the Agreement, except for the case of information change referred to in Clause 10.2 of this Agreement. The written agreements shall be signed with qualified electronic signatures or wet ink (in such cases the respective documents shall be prepared in two copies, one copy for each of the Parties) and shall be enclosed with this Agreement as an integral part thereof.
- 10.5. The Parties shall not be entitled to deliver their rights and obligations related to this Agreement and arising from that to third persons unless the Agreement expressly provides otherwise.
- 10.6. For the purpose of execution of this Agreement, the Parties might transfer to each other certain personal data, such as data on employees of the Parties, data on suppliers, the Global Project stakeholders and their employees etc. The Party transferring to the other Party certain personal data shall be responsible for informing and, if necessary, obtaining the consent of the data subject for the processing of the personal data. The Parties acknowledge that for the purpose of the Agreement each of the Parties shall act as an independent controller. The Party shall transfer the personal data to the other Party and such other Party shall process the personal data only for the purposes of execution of

the Agreement and other such purposes as required by applicable laws. The Parties agree that except where the Party has a separate legal basis for processing the personal data referred to in the applicable laws governing the protection of personal data, the Party shall not process the personal data for any other purpose.

- 10.7. During the Service provision and for a period of 10 (ten) years after expiration or termination of this Agreement, the Contractor must maintain clear, adequate, and accurate records and documentation evidencing that the Services have been carried out in accordance with the Agreement, and the Contractor must ensure that all such documentation is available to the Policyholder's representatives or auditors upon their request. 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 documentation must be kept and maintained longer in accordance with the Policyholder's instructions.
- 10.8. All annexes to this Agreement shall become as an integral part of this Agreement.
- 10.9. This Agreement is prepared as an electronic document.

## 11. DETAILS AND SIGNATURES OF THE PARTIES

For and on behalf of the Policyholder:

For and on behalf of the Contractor:

Name, title: [•]

[•]

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

**ANNEX A: "TECHNICAL SPECIFICATION"****TECHNICAL SPECIFICATION FOR THE PROCUREMENT  
"DIRECTORS AND OFFICERS LIABILITY INSURANCE"  
(ID NO. RBR 2025/3)**

Riga  
2025



**Co-funded by  
the European Union**

## 1. INTRODUCTION TO RAIL BALTICA

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

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

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

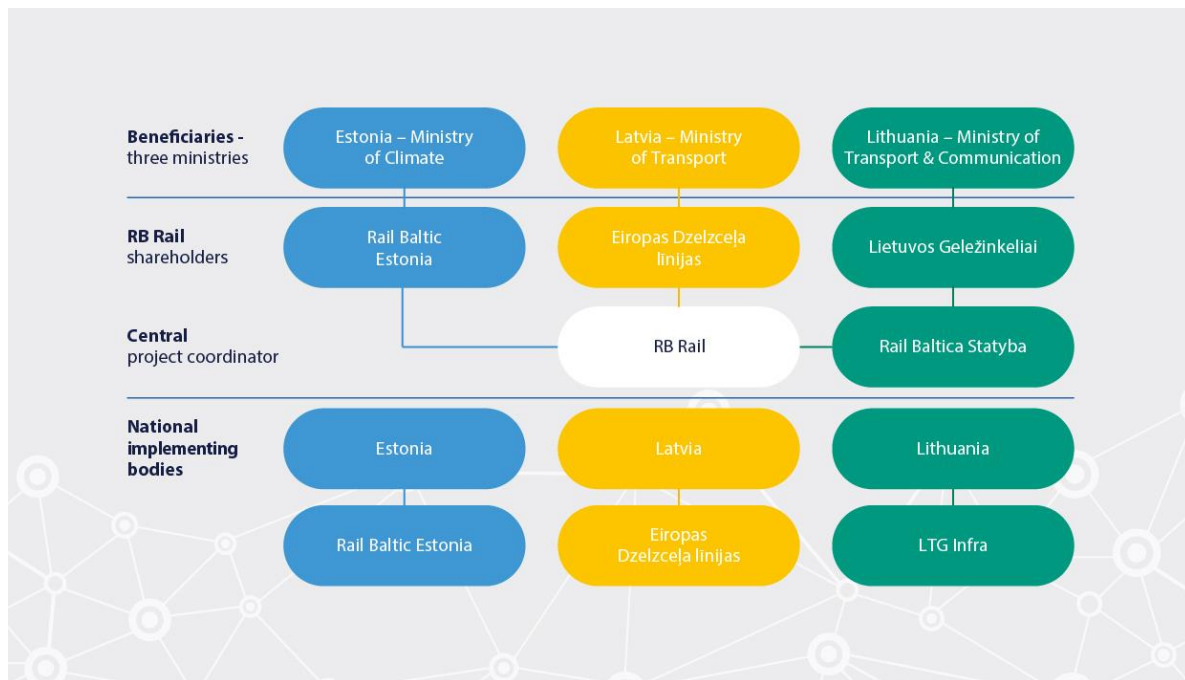
Rail Baltica is already designed to become a part of the EU TEN-T North Sea – Baltic Core Network Corridor, which links Europe’s largest ports of Rotterdam, Hamburg and Antwerp – through the Netherlands, Belgium, Germany and Poland – with the three Baltic States, further connecting to Finland via the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

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

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

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

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



For the sake of clarity:

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

RB Rail AS (together with governments of Estonia, Latvia and Lithuania (represented by the ministries in charge of transport policy) have applied for co-financing and signed Grant Agreements under the Connecting Europe Facility (CEF) Transport sector call in 2014, 2015, 2016, 2019, 2020, 2021, 2023 and 2024 (eleven grant agreements in total) to support the Global Project expenses. **RB Rail AS activities are not related to sales activities and RB Rail AS has no total revenue or net profit.**

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

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

## 2. FRAMEWORK OF ASSIGNMENT

Procurement procedure "Directors and Officers Liability Insurance", ID No. RBR 2025/3 (the "Procurement") is initiated, as RB Rail AS (also - the "Policyholder") is looking for a service provider capable of providing Directors and Officers Liability Insurance services indicated in this section (the "Services"). The provision of the Services means that RB Rail AS's accountable persons are covered with liability insurance in accordance with this technical specification (the "Technical Specification") and other provisions set by related procurement documents. It must be understood that RB Rail AS's accountable persons include existing members, ex-members and future members of the Policyholder's Supervisory Board (*padome*) (the "SB Members"), Policyholder's Management Board (*valde*) (the "MB Member"), and other persons who are deemed to be Insured Persons in accordance with this section.

The Contractor providing the Services have to envisage that Directors and Officers Liability Insurance policy must cover any financial loss (including, but not limited to expenditures, financial losses, damages, compensations, costs of expertise, law services for advocacy, other litigation costs and sums payable as a result of settlements etc.) which may arise by any claim against any of the insured person (as defined below), subject to the minimum insurance coverages set out below.

Detailed information about the Services:

Type	Directors and Officers Liability Insurance
Policyholder	RB Rail AS
Policyholder's legal address	Satekles iela 2B, Riga, LV-1050
Policy	An insurance policy that is issued in order to certify that the performance of the Services is ensured.
Policy Period	12 (twelve) months, 24 hours per day starting from 25 April 2025, 00:00 (Eastern European Time) till 24 April 2026, 23:59 (Eastern European Time).
Insurance coverage scope	A. Insured Person's liability cover B. Policyholder's reimbursement cover (Policyholder's expenses for claims against Insured Person)
Limit of Liability	EUR 20 000 000 (twenty million euros) any one claim and in the aggregate for the Policy Period with the following exception – maximum limit of the insurance cover for SB Members must be sub-limited to EUR 6 000 000 (six million euros) any one claim and in the aggregate.
Insured Persons	Irrespective of the type of contract/type of authorization under which all the undermentioned persons perform their duties, <b>the Insured Persons means:</b> <ol style="list-style-type: none"> <li>I. any natural person who was or is, or becomes MB Member or SB Member;</li> <li>II. any natural person who was or is, or becomes a director or officer or manager of the Policyholder's branches;</li> <li>III. any employee of the Policyholder while acting in a managerial capacity at the Policyholder and/or its branches, and persons who are deemed to be performing any activity normally carried out by the directors and officers on behalf of the Policyholder (including, but not limited to, the Policyholder's chief accountant, legal counsels and members of procurement commissions established by the Policyholder, and those employees of the Policyholder and the Policyholder's branches who are members of any other procurement commissions established by Rail Baltic Estonia OÜ (reg. No 12734109), Sabiedrība ar ierobežotu atbildību "Eiropas dzelzceļa līnijas" (reg. No 40103836785), Akcine bendrove Lietuvos geležinkeliai (reg. No 110053842), AB "LTG Infra" (reg. No 305202934), UAB "Rail Baltica statyba" (reg. No 303227458), Estonian Transport Administration (Transpordiamet) (reg. No. 70001490);</li> <li>IV. any employee of the Policyholder and/or its branches, in the event a claim is brought against him/her in respect of an employment wrongful act;</li> <li>V. any employee of the Policyholder and/or its branches that doesn't meet any other criteria set out herein only if and to the extent that: (1) a claim</li> </ol>



	<p>for wrongful act is made against him or her; and (2) he or she is named as a co-defendant with another Insured Person;</p> <p>VI. any spouse, domestic partner, civil partner of Insured Person named above, but only in respect of an action: (1) that is brought against property owned at least in part by such person; and (2) where the action against the said property is brought in respect of the breach that is conducted by person who in the context of the particular case meets the above-mentioned characteristics of the Insured Person.</p> <p>The scope of the Insured Persons does not include any external auditor, liquidator, administrator or receiver or administrative receiver, legal or other professional adviser of the Policyholder and/or its branches.</p>
<b>Insurance Cover</b>	<p>Third Party liability for losses resulting from a claim against Insured Person in relation to wrongful acts they have committed (actual or alleged breach of duty, negligence, error, misstatement, omission, a conflict of interest, accounting inaccuracies, power of attorney misuse, false statements, false recommendations, expenses, damages, compensations and other payments the Insured Person is or will be obliged to pay in connection with any Third Party claim which incurred in connection with the performance of duties and passing decisions at Policyholder and/or Policyholder's branches, as well as reimbursement of expertise, legal, litigation and other expenses for the Insured Person against third-party claims, including sums as a result of a settlement, etc.).</p>
<b>Exclusions</b>	<p>Limited to exclusions commonly included in Directors and Officers Liability Insurance according to the market practice in Europe, unless otherwise specified in this Technical Specification or other Procurement related documents.</p>
<b>Notification</b>	<p>If a claim is made against the Insured Person during the Policy Period, the Policyholder shall provide a written notice as soon as practicable after the MB Member of the Policyholder becomes aware of such claim.</p> <p>If the Insured Person first becomes aware of a wrongful act or first becomes aware of a situation or circumstance that the Insured Person reasonably considers may become a claim, the Insured Person or the Policyholder provides a written notice of that as soon as practicable ("<u>Circumstance Notification</u>"). If such Circumstance Notification is made during the Policy Period, any claim that is subsequently made will be treated as having been made during the Policy Period.</p>
<b>Third Party</b>	<p>Any individual or legal entity, including without limitation, a state authority, RB Rail AS, RB Rail AS branches and RB Rail AS shareholders who have suffered losses in the result of the insurable event.</p>
<b>Minimum Insurance cover extensions and sub-limits</b>	<p>Defence costs – up to full Limit of Liability.</p> <p>Emergency costs – up to 5% (five percent) of the total Limit of Liability.</p> <p>Regulatory crisis response expenses - sub-limited at least up to EUR 250,000.</p> <p>Reputation recovery costs – sub-limited at least up to EUR 100,000.</p> <p>Loss mitigation costs – sub-limited at least up to EUR 100,000.</p> <p>Assets and Liberty costs – sub-limited at least up to EUR 250,000.</p> <p>Extradition costs – sub-limited at least up to EUR 250,000.</p> <p>Insolvency hearing costs – sub-limited at least up to EUR 100,000.</p> <p>Personal liability for corporate taxes – sub-limited at least up to EUR 1,000,000.</p> <p>Environmental and Pollution claims defence costs – sub-limited at least up to EUR 250,000.</p> <p>Civil fines, Administrative fines and Penalties Extension – sub-limited at least to EUR 200,000 in the aggregate.</p> <p>Employment Practices Liability– sub-limited at least up to EUR 500 000.</p> <p>Bodily Injury/ Property Damage Defence Costs – sub-limited at least up to EUR 500 000.</p> <p>Advancement costs extension must be included.</p> <p>Retired Insured discovery period extension must be included.</p>



	<p>Discovery period extension as defined below must be included.</p> <p>In cases other than those referred to in this sub-section, no sub-limits apply, i.e., total limit for each such case is up to the full Limit of Liability.</p> <p>If the offer of the Contractor does not specify a limit for any of the risks indicated above, it will be deemed that no limit has been set for the specific risk, i.e., total limit for each such risk is up to the full Limit of Liability.</p> <p>If applicable laws limit the maximum amount of any of the aforementioned sub-limits, then it must be sub-limited to the extent permitted by law.</p>
<b>Retroactive Date</b>	28 October 2014
<b>Discovery Period</b>	<p>After the end of the Policy Period the Policyholder will be provided with the Discovery Period of 90 days without obligation to pay any additional premium or any other payments.</p> <p>After the above mentioned no-charge 90-day Discovery Period, the Policyholders shall be entitled to additional Discovery Period of up to 3 additional years at the additional fees indicated below, if the Policy is neither renewed nor replaced for any reason or in case the Limit of Liability will be reduced.</p> <p>The Policyholder may purchase additional Discovery Period for the additional premium of up to 100% of the Insurance Premium for each additional 12 months Discovery Period.</p>
<b>Retired Directors</b>	<p>The Contractor will provide extended Discovery Period of not less than 72 (seventy-two) months for any Insured Person who retires or resigns, other than by reason of a transaction or insolvency, during the Policy Period, provided that:</p> <ul style="list-style-type: none"> <li>(i) this Policy is not renewed or replaced with any other Insured Person liability cover; or</li> <li>(ii) where this Policy is renewed or replaced with any other Insured Person liability cover, such renewal or replacement policy does not provide a cover for such retired Insured Persons.</li> </ul>
<b>Past Insured</b>	<p>An Insured Person who during the Policy Period has retired from or ceased to hold an office as Insured Person other than an individual disqualified by an official, regulatory or judicial body or authority or court or arbitration, provided that there is no merger or acquisition and the Policyholder is not insolvent.</p> <p>The Contractor will pay to or on behalf of a Past Insured any loss arising from any claim first made against them following the expiry date of the Policy Period for a wrongful act committed before the Insured Person ceases to hold the office of an Insured Person, provided that such a Past Insured is not covered by any other policy affording Directors and Officers or Management Liability Cover which renews or replaces this Policy further to its expiration.</p> <p>Any claim shall be allocated to the last Policy Period and the remaining Limit of Liability shall apply.</p>
<b>Insurance Territory</b>	Worldwide, excluding USA, Canada, Russia, Belarus and other countries with which it is prohibited for the Policyholder to cooperate on the basis of regulatory enactments.
<b>Trigger</b>	Under this insurance, the grounds for indemnification must be any written demand for monetary or non-monetary relief or any civil (including arbitration and other alternative dispute resolution), criminal, regulatory or administrative proceeding against an Insured Person for a wrongful act, deemed to be made upon receipt by or service upon the Insured Person, whichever is earlier within the Insurance Period or Extended Reporting (discovery) Period (if it is in force) - claims made policy.
<b>Representation</b>	Representative of the Insured Person (sworn advocate) against the third-party claims shall be selected by the Insured Person. The Contractor can only object to the chosen representative in case there is plausible probability of occurrence of corruption, conflict of interest or other material irregularities.

<b>Payment of Insurance Premium</b>	The Insurance Premium payment shall be made within 30 (thirty) calendar days from the conclusion of the Contract and after receipt of all necessary documents (including but limited – the Contractor's invoice).
<b>Payment of Insurance Indemnity</b>	The Insurance Indemnity payment shall be made within 90 (ninety) days from the moment the Contractor has received all requested and necessary documents and information from all parties from whom it would be reasonable to expect relevant documents and information.
<b>Deductibles</b>	Nil euros (EUR 0,00) for Insured Person's liability; Five thousand euros (EUR 5 000) Policyholder's reimbursement cover.
<b>Jurisdiction</b>	Policy and provision of Services (including without limitation any issues arising out of or in connection with negotiation, validity, enforceability or other non-contractual disputes) is in all respects to be construed in accordance with and governed by Latvian law only.
<b>Policyholder's financial information</b>	RB Rail AS Annual Report 2023 - <a href="https://www.railbaltica.org/wp-content/uploads/2024/06/RB-Rail-AS-Annual-report-2023.pdf">https://www.railbaltica.org/wp-content/uploads/2024/06/RB-Rail-AS-Annual-report-2023.pdf</a>
<b>Additional notes</b>	<p>In cases where this document or other documents related to this Procurement do not explain definitions used, the explanation of a particular definition must be interpreted in a manner consistent with the definitions commonly used in Directors and Officers liability insurance policies according to the best market practice in Europe.</p> <p>The literal wording of proposed insurance terms and definitions might differ from those included in the Procurement related documents (prepared by the RB Rail AS), however the alternative wording shall not be narrower in scope than the terms of these Regulations or for this Procurement and should be aligned with and reflect the terms of the Regulations for this Procurement and its annexes (including this Technical Specification).</p>

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

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