

**RAIL BALTICA TRANSPORT DEMAND MODEL DEVELOPMENT AND ANALYSIS
SERVICES AGREEMENT**

between

RB Rail AS

and

TRT TRASPORTI E TERRITORIO S.R.L.

Contract registration number 1.19/LV-2021-14

CEF¹ Contract No INEA/CEF/TRAN/M2019/2098304

Procurement procedure identification No RBR 2020/13

¹ Grant Agreement under the Connecting Europe Facility

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SERVICES AGREEMENT

This SERVICES AGREEMENT (the "Agreement") together with all Annexes thereto, is entered into force in Riga on the day of its signing by both Parties (the "Commencement Date"). The Agreement is entered into by and between:

RB Rail AS, a joint stock company registered in the Latvian Commercial Register with registration No 40103845025, legal address at Krišjāņa Valdemāra iela 8-7, Riga, LV-1010, Latvia (the "Principal"), represented by Chairperson of the Management Board Agnis Driksna acting on the basis of the Regulations on Representation Rights dated 20 July 2020, on the one side,

and

TRT TRASPORTI E TERRITORIO S.R.L., a limited liability company registered in the Milan Business Register with registration No 08578370150, legal address at Via Rutilia 10/8, 20141 Milano, Italy (the "Contractor"), represented by Managing Director Silvia Margherita Anna Maffii acting on the basis of company statutes (deed dated 27 June 2003), 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 "Rail Baltica Transport demand model development and analysis" (identification No RBR 2020/13) (the "Procurement Procedure") whereby the Contractor's tender proposal (the "Contractor's Proposal") was selected as the winning bid;
- C. This Agreement is co-financed from the Connecting Europe Facility (CEF), CEF Contract No INEA/CEF/TRAN/M2019/2098304, Activity No 3: Pre-construction preparation and infrastructure development (RB Rail), Sub-activity 2: Global Project development and optimization, Work stream 3.

Section I. Definitions and Interpretation

- 1.1. *Definitions.* In this Agreement, unless the context requires otherwise, all definitions shall have the meanings as described 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 the Applicable Law or any 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 any definitions in accordance with *Annex A: Definitions and common terms*.
- 1.3. *Order of Precedence.* In the event of any discrepancy or inconsistency between the documents forming part of this Agreement, the following order of precedence shall apply:
- (a) this Agreement document;
 - (b) explanations (clarifications) of the Procurement Procedure documentation;
 - (c) Procurement Procedure documents with the annexes (including Technical specifications (Scope of Service));
 - (d) clarifications of the Contractor's Proposal;
 - (e) Contractor's Proposal;
 - (f) all other Annexes of the Agreement.

Section II. General terms and conditions

- 2.1 *Engagement.* The Principal hereby engages the Contractor to provide and perform the Services for the purposes of the Project, as further described and according to the specifications contained in the *Annex B: Technical Specification* this Agreement, and the Contractor hereby accepts such engagement. The Services shall result in the provision to the Principal of the Deliverables identified in accordance with the *Annex C: Schedule of the Services* of this Agreement.
- 2.2 *Co-Operation of the Parties.* The Parties shall cooperate with one another to fulfil their respective obligations under this Agreement. Both Parties shall endeavour to maintain good working relationships among all key personnel engaged toward provision of the Services.
- 2.3 *Licensing Requirements.* By signing this Agreement, the declaration is made by the Contractor that the Contractor is professionally qualified, registered and licensed to practice in the respective country where the Services will be provided if it is required to duly and diligently provide the Services in accordance with statutory legal acts of the respective country.
- 2.4 *General Obligations of Contractor.* The Contractor shall be responsible for the professional quality, technical accuracy, coordination of all concepts, programming, reports, designs, drawings, specifications, and other services furnished under this Agreement. The Contractor shall have an obligation, without additional compensation of any kind, to correct or revise any errors, deficiencies, or omissions in concepts, programming, reports, designs, drawings, specifications, estimates and other services rendered hereunder and forming part of the Services.
- 2.5 *Acceptance Not a Waiver.* The Principal's review, approval, acceptance or payment for the Works forming part of the Services shall not be interpreted or construed to operate as a waiver of any right or cause for action arising out of the Contractor's performance of any Works under this Agreement. The Contractor 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 Contractor's negligent performance of any of the Works and Services furnished under this Agreement.
- 2.6 *Term.* The term of for the provision of Services is 48 (forty-eight) weeks starting from the Commencement Date.
- 2.7 *Expiry and termination.* The Agreement terminates once the Parties have fulfilled their contractual obligations arising out of this Agreement.

Section III. Responsibilities of Principal

- 3.1. *Supply of Information.* Unless otherwise provided under this Agreement, the Principal shall, in a timely manner, provide to the Contractor any information regarding requirements and parameters of the Project, as may reasonably be requested by the Contractor for the purposes of the Services, provided that the Principal is in possession of such information. The Principal shall furnish to the Contractor a preliminary Project program setting forth the Principal's objectives, schedule, constraints and criteria, including necessities and relationships, special equipment, systems and site requirements.
- 3.2. *Review of Documentation.* The Principal shall examine Documentation as may be submitted by the Contractor for review by the Principal toward partial completion of the Services and, upon request of the Contractor, shall render decisions and opinions pertaining thereto.
- 3.3. *Decisions.* On all matters properly referred to it in writing by the Contractor the Principal shall give its decision in writing so as not to delay the Services and within a reasonable time. The Principal is not limited to provide any answer and information to the Contractor by e-mail.
- 3.4. *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 Contractor has used the funds paid under the terms of this Agreement.
- 3.5. *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 Services or non-conformance of any action forming part of the Services with the Documentation or information, the Principal shall give prompt notice thereof to the Contractor. The Contractor shall have the obligation to correct such error, fault, omission, or defect in the Services or non-conformance of any action forming part of the Services.

Section IV. Responsibilities of Contractor

- 4.1. *Standard of Performance.* The Contractor's services shall be performed as expeditiously as is consistent with professional skill and care, orderly progress of the Services, and in accordance with the Schedule of the Services set forth in accordance with *Annex C: Schedule of the Services*.
- 4.2. *Obligation to Act in Accordance with Principal's Comments.* In performing the Services, the Contractor shall have due regard to any comments made by the Principal in connection with any review of the Documentation or information furnished by the Principal and shall provide reasons to the Principal where it does not take into account any such comments.
- 4.3. *Duty of Care and Exercise of Authority.* The Contractor 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 its personnel are properly qualified and competent in accordance with the relevant Standards;
 - (c) ensure that all maps, drawings, plans, specifications, estimates, surveys and other documents and information required to be prepared or submitted by the Contractor under this Agreement conform to Good Industry Practice generally acceptable at the time of submission of such maps, drawings, plans, specifications, estimates, studies, documents and information;
 - (d) at all times during the term of the Services, ascertain and comply with all Applicable Laws of the Republic of Latvia and Good Industry Practice of the European Union;
 - (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, and all documents and information is furnished in accordance with Good Industry Practice, and using conventional industry quality control methods; and
 - (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 Contractor.
- 4.4. *Maintenance of Records.* During the term of the Services and during 10 years from expiration or termination of this Agreement for any reason whatsoever, the Contractor shall keep and maintain clear, adequate and accurate records and Documentation evidencing, to the reasonable satisfaction of the Principal, that the Services has been and is being carried out in accordance with the Standards. In addition, the Contractor shall retain copies of the object code of all Contractor's Software used in performance of the Services and retain copies of all software used in the design and production of the

Contractor Software. 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.

- 4.5. *Access to Documentation.* At all times during the term of the Services, 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 and be accessible in a generally recognized format for a period of 10 years from the date of expiration or termination of this Agreement. All records forming part of the Documentation shall be available to the Principal auditor, or expert appointed by the Principal during the period of time specified in accordance with this Clause 4.5.

- 4.6. *Right to Sub-Contract and Staff.*

- 4.6.1. *Right to Sub-Contract and Staff according to law.* In carrying out the Services, the Contractor may only rely on the services of those Approved Sub-Contractors and Staff listed in the *Annex E: 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 Law of the Republic of Latvia. Parties shall specify the name, contact details and legal representative(s) of each Approved Sub-Contractor as of the Commencement Date in the *Annex E: List of Approved Sub-Contractors and Staff*. The Contractor shall have an obligation to notify the Principal in writing of any changes to Sub-Contractor or Staff data specified in *Annex E: List of Approved Sub-Contractors and Staff* occurring during the term of this Agreement and of the required information for any new Sub-Contractors or Staff member which it may subsequently engage toward provision of the Services.

Pursuant to the Public Procurement Law of the Republic of Latvia the Contractor shall obtain prior written consent of the Principal for the replacement of each Sub-contractor or each Staff member, or each key personnel indicated in *Annex E: List of Approved Sub-Contractors and Staff* and involvement of additional Sub-Contractors or Staff members, or key personnel.

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

The Contractor shall replace the Sub-Contractor and/or 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.

- 4.6.2. *Security Clearance Requirements.* The Contractor shall not involve in the performance of the Agreement a person convicted of an intentional criminal offense (employees, subcontractors and/or any other person and personnel), regardless of the criminal record having been set aside or extinguished, and/or a person of whom there are known facts that give grounds to doubt his or her ability to retain restricted access and/or classified information, as well as a person who has or may have a conflict of interest by involving him in the performance of the obligations under this Agreement.

At the Principal's request, the Contractor shall submit to the Principal a statement (certificate) from the relevant state penalty register regarding the criminal record of the natural person who will be involved in the performance of the Agreement.

In order to assess the compliance of the natural person whom the Contractor intends to involve in the performance of the Agreement with the requirements specified in Paragraph 1 of this Clause 4.6.2, the Principal has the right to organize an additional security compliance check.

The Contractor undertakes to inform the natural person involved in the performance of the Agreement about the processing of personal data performed by the Principal when organizing a security compliance check.

The Contractor shall submit to the Principal in writing at least ten (10) business days prior to the involvement of any natural person in the performance of the Agreement the following information of the person: name, surname, personal identification code (or equivalent personal identification information), place of birth, position, company name (in case involved staff of sub-contractor), the country from which the person comes, e-mail (with service provider's domain). At the Principal's request, the Contractor shall also submit a brief description of the role and responsibilities of the natural person in the performance of the Agreement.

The Principal has the right, at its own discretion, to prohibit a natural person specified by the Contractor from performing tasks related to the performance of the Agreement by notifying the

Contractor thereof in writing if the requirements referred to in this section of the Agreement are not complied with. The Parties agree that such decision of the Principal is incontestable.

If the Principal prohibits a natural person specified by the Contractor from performing the tasks related to the performance of the Agreement, the Contractor shall replace this natural person with another natural person by notifying the Principal in accordance with the procedure laid down in Paragraph 5 of this Clause 4.6.2.

If the Contractor cannot replace a natural person or if its replacement would cause disproportionately high expenses to the Contractor, the Contractor shall immediately provide the Principal with a motivated explanation and the Parties shall try to agree on possible conditions and procedures in which this natural person may perform tasks related to the performance of the Agreement.

The Contractor shall take all necessary actions and measures in a timely manner to ensure that a natural person is not involved in the performance of the Agreement or the involvement is immediately terminated if the natural person does not comply with Paragraph 1 of this Clause 4.6.2, otherwise creates or may create risks for the Principal, including risks to the Principal's information systems, information or data, as well as risks to the Principal's reputation or operations.

The Contractor is obliged to:

- (a) provide that a natural person who does not comply with the security clearance requirements is not involved in the performance of the Agreement;
- (b) immediately replace a natural person who does not comply with the requirements of the security clearance in accordance with the provisions of this Agreement (and/or with the requirements of the Public Procurement Law);
- (c) observe and not contest the Principal's written instructions and decisions in accordance with this Clause 4.6.2;
- (d) provide the Principal with all the necessary information and support related to the necessity to change a natural person.

In any case, the Contractor shall immediately notify the Principal in writing of any situation that has arisen before the start and during the performance of the Agreement, as a result of which there is or may be a risk of involving a natural person who does not comply with the security clearance requirements stipulated in this Clause 4.6.2, as well as notifies the Principal in writing of the replacement of such natural person involved in the performance of the Agreement.

If the Contractor violates the conditions stipulated in this Clause 4.6.2 and/or disregard Principal's instructions regarding security clearance requirements, it constitutes a material breach of the Agreement and as grounds for the Principal to unilaterally terminate the Agreement by notifying the Contractor in writing 1 (one) business day in advance.

- 4.7. *Responsibility for Performance by Sub-Contractors and Staff.* The Contractor shall retain the complete responsibility for the proper performance of all of its obligations under this Agreement, and any act, failure to act, breach or negligence on the part of any of its Approved Sub-Contractors and Staff shall, for the purposes of this Agreement, be deemed to be the act, failure to act, breach or negligence of the Contractor.
- 4.8. *No Conflicting Activity.* Except with the Principal's knowledge and express written permission, the Contractor shall not engage in any activity, or accept any employment, other agreement, interest, or contribution that would reasonably appear to compromise the Contractor's professional judgment and performance with respect to the Services and/or the Project. In performing the Services, the Contractor shall take all necessary measures to prevent any situation where the impartial and objective implementation of the Services is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest.
- 4.9. *Attendance of Meetings and presence at the Principal.* To the extent necessary to ensure smooth and efficient provision of the Services, the Contractor shall, at the Principal's request, hold and/or attend meetings with any persons. The Contractor shall arrange Service communication's planning meetings on weekly, monthly and quarterly bases (or more frequently, to the extent mutually agreed by the Parties) as described in *Annex B: Technical Specification*, at which appropriate personnel of the Contractor and the Principal and the Representatives of each Party shall be present. The Contractor shall record all meetings (also online meetings) between Parties and prepare meeting reports within five (5) Working Days after each meeting. All meeting reports shall be harmonized by Principal. Additionally,

the Contractor shall ensure the presence at the Principals premises requirements as stipulated in the *Annex B: Technical Specification*.

- 4.10. *Compliance with Laws.* The Contractor shall review the Applicable Laws that is applicable to the Contractor's services. In carrying out any activities forming part of the Services, the Contractor shall, at all times, ensure compliance with requirements imposed by supra-national and/or governmental authorities having jurisdiction over the Project.
- 4.11. *Information Furnished by Principal.* The Contractor shall be entitled to rely on the accuracy and completeness of services and information furnished by the Principal. The Contractor shall provide prompt written notice to the Principal if the Contractor becomes aware of any errors, omissions, or inconsistencies in the information provided by the Principal or in the preparation or provision of Services or information.
- 4.12. *Certain Negative Covenants.* In performing the Services, the Contractor 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 authorised 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, unlawful participation in property transactions, acceptance of a prohibited benefit or commercial bribing, unlawful requesting, receiving and giving of benefit, trading with influence;
 - (iii) fraud, misappropriation of funds or money laundering;
 - (iv) tax evasion or evasion of payments equivalent to tax;
 - (v) terrorism, financing of terrorism, establishment or organization of a terrorist group, travelling for terrorism purposes, justification 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 or prosecutor's penal 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:
 - (i) 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 Contractor shall evaluate the possibility of participation by such Person in performing the Services), 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 Contractor can, within its sole discretion, prompt the Approved Sub-Contractor to pay or discharge all outstanding tax indebtedness within 10 (ten) Working Days and, upon such payment or discharge, allow the Person to continue performance of the Services;
 - (f) the Person is an entity registered in an offshore;
 - (g) the Person is a legal person or association of persons registered in an 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 Contract; and
 - (i) any of the above-mentioned criteria shall apply to all members of a group of persons if the Person is a group of persons.
- 4.13. *Visibility Requirements.* At all times during performance of the Services, the Contractor undertakes to comply with each of the following requirements:
- (a) any report, brochure, document or information related to the Services conducted by the Contractor hereunder or any other Person, or which the Contractor makes publicly available shall include each of the following:
 - (i) a funding statement which indicates that the Services is financed from CEF funds substantially in the following form: "Co-financed by the Connecting Europe Facility of the European Union";
 - (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 4.13(a)(i) and 4.13(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 Contractor decides to utilize the above logo, the Contractor 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 Contractor shall regularly monitor changes to visibility requirements; as of the Commencement 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>.
- 4.14. *Reporting.* The Contractor shall, in a format and at intervals to be agreed with the Principal:
- (e) provide the Principal with regular reports and status updates on the progress of the Works.
 - (f) report on any changes to the Annexes of this Agreement, including but not limited to the Schedule of the Services, which the Contractor considers may be needed in order to fulfil the objectives set out in the Agreement; and
 - (g) use reasonable endeavours to provide any other information and status updates as may be reasonably requested by the Principal at any time.

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

Section V. Representations and Warranties

- 5.1 *Certain Representations and Warranties by Parties.* Each Party represents and warrants to the other Party, as of the Commencement Date, as follows:
- (a) 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;
 - (b) it has entered into this Agreement without having any intention or goal whatsoever to violate the Applicable Law, its own Articles of Association, other constitutional documents, laws or agreements of any kind to which it is a party;
 - (c) it is not bankrupt and is not the subject of insolvency or winding-up proceedings, where its assets are being administered by a liquidator or by the court, it is not in an arrangement with creditors, where its business activities are suspended, or it is in any analogous situation arising from a similar procedure under the laws of the country where it is registered and submits its tax accounts.
- 5.2 *Certain Representations and Warranties by Contractor.* The Contractor represents and warrants to the Principal, as of the Commencement Date, as follows:
- (a) it has all requisite qualification, skills and competence to perform the Services on the terms and conditions of this Agreement which are no less favourable than the terms and conditions of service identified by the Contractor in any document submitted by the Contractor to the Principal as part of the Procurement Procedure and on the terms of the Contractor's Proposal;
 - (b) it holds all requisite licenses, permits, approvals and consents necessary to enable performance by the Contractor of the Services according to the specifications contained in this Agreement and the *Annex B: Technical Specification*;
 - (c) it has all requisite ability to ensure the highest quality of the Services;
 - (d) it will assign competent and duly qualified personnel indicated in the Contractor's Proposal to carry out the Works set out in this Agreement according to the Contractor's Proposal and applying the highest professional Standards and Good Industry Practice;
 - (e) it is not deemed to be a person associated with the Principal for the purposes of Applicable Law;
 - (f) *[intentionally deleted]*;
 - (g) it is compliant with all the requirements of the Contractor's Declaration contained in the *Annex I: Declaration of the Contractor* and will continue to be compliant with all such requirements during the term of this Agreement;
 - (h) the income mentioned in this Agreement will not derive through permanent establishment or fixed base maintained by the Contractor in the Republic of Latvia. The Contractor agrees to submit to the Principal four (4) copies of "*Residence Certificate–Application for Reduction of or Exemption from Latvian anticipatory taxes withheld at source from payments (management and consultancy fees, leasing fees and certain other types of income), paid to residents of the Italy*" (the "*Residence Certificate*") confirmed by competent authority of the Italy and the State Revenue Service of the Republic of Latvia. The Residence Certificate shall be submitted to the Principal prior the Principal will due to make a payment of the fee or other payments to the Contractor. Otherwise the Principal will withhold withholding tax at the rate of 20% from the Fee and payments made to the Contractor. The Principal is entitled to make any deductions from the payments due to the Contractor if the Contractor doesn't comply with this provision; and
 - (i) immediately arrange for engagement of supplemental personnel when necessary at the cost of the Contractor. 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.

Section VI. Fee and Payment

- 6.1 *Fee.* In consideration of provision of the Services, the Principal undertakes to pay the Contractor a Fee in the total amount set forth in accordance with the *Annex D: Fee and Payment Schedule* (the "*Fee*") which shall be split into separate instalments and be payable by the Principal to the Contractor

according to the Schedule set forth in the *Annex D: Fee and Payment Schedule*. It is acknowledged and agreed by the Parties that the Fee shall include all Costs and expenses incurred by the Contractor and Approved Sub-Contractors toward performing the Services. The Fee specified in accordance with this Clause 6.1 excludes value added tax that will be charged at the rate applicable in accordance with Applicable Law at the time of invoicing.

- 6.2 *Invoicing.* According to the *Annex D: Fee and Payment Schedule* and following each Completion Date and/or Final Acceptance Date, provided that the Principal has accepted/approved the particular Deliverable of the Services which the invoice related to, the Contractor shall deliver to the Principal an invoice specifying the amount of the Fee payable and the period of time with respect to which the Fee is payable. In the event the Principal objects to payment of any amount claimed by the Contractor in the invoice, notice in the form chosen by the Principal to this effect shall be given by the Principal to the Contractor not later than seven (7) days before the due date for payment under Clause 6.3. 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 made by the Principal, the amount to be paid is that stated in the invoice which shall become due and payable in accordance with this Agreement. For the avoidance of any doubt, the Principal shall not be required to pay any amount under this Agreement with respect to any part of the Services that has not been accepted by the Principal in accordance with Clauses 7.4, 7.5, 7.6 and 7.7 of this Agreement.
- 6.3 *Payment.* Subject to the provisions of Clause 6.2, the Principal reserves the rights to make the payments to the Contractor with set-off, retention, counterclaim, abatement or other deduction of any kind that arises from this Agreement and from the obligations of the Contractor provided herein (i.e. in cases of accrued contractual penalty amounts, in case if the Principal haven't received residence certificate as stipulated in this Agreement, etc.). If the Principal uses the right to make the payments to the Contractor with set-off, retention, counterclaim, abatement or other deduction of any kind, then the Principal so notifies to the Contractor 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 or other right. 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 with respect to any invoice in the absence of a Provisional Completion Note duly signed by the Principal or, with respect to the final payment of the Fee to be effected under this Agreement, the Final Acceptance Note duly signed by the both Parties, taking into account that the Services shall be accepted by the Principal for final deliverable in accordance with Clauses 7.4, 7.5, 7.6 and 7.7 of this Agreement.
- 6.4 *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.
- 6.5 *Compliance with Tax Obligations in Italy.* It is acknowledged and agreed by the Parties that the Fee shall include all taxes and duties payable by the Contractor in the consequence of provision of the Services, except value added tax (the "VAT"). The Contractor shall, at the sole cost and expense of the Contractor, comply with the obligation to pay all taxes and duties relevant to the provision of the Services in Italy and in accordance with Applicable Law of Italy. In addition, the Contractor shall assume all risks associated with the payment or obligation to pay such taxes and duties, if any. The Contractor assumes all risks associated with the possible increase in the amount of the Fee arising as a result of the obligation of having to pay any such taxes or duties.
- 6.6 *Invoice.* The Contractor's invoices shall contain the following Contractor's details and details about the Agreement:

a) Contractor's details and details about the Contract:

Contractor	TRT TRASPORTI E TERRITORIO S.R.L.
Registration No	08578370150
VAT payer's No or indication that the Contractor is not a VAT payer	IT08578370150
The Principal's VAT No	LV40103845025
Legal address, city, Zip code, country	Via Rutilia 10/8, 20141 Milano, Italy
Legal name of Bank	Unicredit Banca S.p.A.
Bank SWIFT Code	UNCRITM1248

Bank Account No IBAN	IT75L0200801646000010212214
Subject:	For provided services according to the Services Agreement for Rail Baltica Railway No 1.19/LV-2021-14 (CEF Contract No INEA/CEF/TRAN/M2019/2098304, Activity No 3: Pre-construction preparation and infrastructure development (RB Rail), Sub-activity 2: Global Project development and optimization, Work stream 3), Contract Manager: [CONFIDENTIAL]

- b) the serial number and date of issue of the invoice;
- c) the name or a description of the services;
- d) the quantity of the services;
- e) the date of provision of the services or the date of receipt of full or partial payment for the services if the date can be determined and differs from the date of issue of the invoice;
- f) the price of the services exclusive of value added tax and any discounts;
- g) the taxable amount broken down by different rates of value added tax together with the applicable rates of value added tax or the amount of supply exempt from tax;
- h) the amount of value added tax payable. The amount of value added tax shall be indicated in euros.

The Contractor shall send the invoice to the Principal electronically to the following e-mail address: invoices@railbaltica.org. The Principal shall review the invoice to verify whether it contains all necessary requisites.

Section VII. Commencement of Services, remedying of Defects and acceptance

- 7.1 *Services Commencement.* The Contractor shall not commence provision of the Services until Services Start Date, as identified in accordance with the *Annex C: Schedule of the Services* and shall ensure that the Deliverables are furnished to the Principal on or before each relevant Services Milestone. The Contractor shall perform the Services timely and with due diligence having due regard to any applicable Services Milestones and any other key dates for performance of the Services set out in the Agreement and the applicable Annexes, as may be amended 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 Services, 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 Services:
 - (a) the Contractor shall inform the Principal of the circumstances and probable effects of such impediment or delay upon the agreed Schedule of Services specified in accordance with *Annex C: Schedule of the Services*; and
 - (b) the duration of the Services shall be increased, and any Services Milestones affected by the impediment or delay shall be extended accordingly.
- 7.3 *Defects.* The Principal shall notify the Contractor of each Defect as soon as Defect is identified by the Principal and the Contractor shall have an obligation to notify the Principal of each Defect as soon as Defect is identified by the Contractor. Upon discovering a Defect, or upon receipt by the Contractor of a notification of Defect from the Principal, the Contractor shall have no more than fourteen (14) days to remedy the Defect (the "Cure Period"). In the event of inability or failure by the Contractor 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 Contractor an additional time period for remedying the Defect, such time period to be determined in the sole discretion of the Principal;
 - (b) remedy the Defect at own cost of the Principal (including by means of relying on the services of a third Person) and demand reimbursement by the Contractor 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 the *Section IX. Termination and suspension*; or
 - (d) remedy the Defect in accordance with Clause 7.3.

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 Contractor from the obligation to pay any contractual penalty in accordance with the provisions of Clause 10.2 or to pay Damages in accordance with the provisions of Clause 10.3 of this Agreement.

- 7.4 *Completion of Services and Completion Note.* Meeting of a Services Milestone or supply of a Deliverable occurs whenever the Contractor has completed all the Works which the Contractor has undertaken to perform according to the *Annex B: Technical Specification* and *Annex C: Schedule of the Services* by the relevant Services Milestone. On meeting a Services Milestone and/or producing a Deliverable (including all Documentation and information forming part of the Deliverable) constituting all or an identifiable part of the Services, the Contractor shall issue to the Principal a Provisional Completion Note substantially in the form of *Annex F: Form of Provisional Completion Note* (hereinafter, the "Provisional Completion Note"). The Provisional Completion Note shall include the Deliverable and adequate supporting Documentation and information relevant to the Services Milestone attained and/or Deliverable completed.
- 7.5 *Objection Notice and Provisional Acceptance Note.* In the event the Principal objects to the issuance of a Provisional Acceptance Note, it shall give notice to the Contractor setting out in reasonable detail any Defect or reason for the objection (the "Objection Notice") within reasonable time following receipt of the Provisional Completion Note. In the event no reasons for objection to the Provisional Completion Note exist, the Principal shall issue, within reasonable time following receipt of the Provisional Completion Note, a provisional acceptance note in the form of *Annex G: Form of Provisional Acceptance Note* (the "Provisional Acceptance Note"). Subject to Clause 2.5 of this Agreement, the date of the Provisional Acceptance Note shall constitute "Completion Date" with respect to the relevant Services Milestone and/or Deliverable. The Principal shall not unreasonably withhold or delay issuance of a Provisional Acceptance Note. The Provisional Acceptance Note may have annexed to it a list of any outstanding Defects or deficiencies to be corrected by the Contractor.
- 7.6 *Completion of Services Following Receipt of Objection Notice.* In the event of receipt by the Contractor of an Objection Notice in accordance with Clause 7.5, the Contractor 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 no later as mentioned in the Objection Notice and in the Agreement, 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 Applicable Law; and
 - (c) issue to the Principal a second Provisional Completion Note substantially in the form of *Annex F: Form of Provisional Completion Note*.

The second Provisional Completion Note issued in accordance with Clause 7.6(c) shall include the Deliverable and adequate supporting Documentation and information relevant to the Services Milestone attained and/or Deliverable completed. In the event no reasons for objection to the second Provisional Completion Note exist, the Principal shall, within reasonable time following receipt of the second Provisional Completion Note, issue a Provisional Acceptance Note in the form of *Annex G: Form of Provisional Acceptance Note* and, subject to the provisions of Clauses 2.5 and 9.1(b) this Agreement, the date of the Provisional Acceptance Note shall constitute "Completion Date" with respect to the relevant Services Milestone and/or Deliverable. In the event the Principal objects to the issuance of a Provisional Completion Note in accordance with this Clause 7.6, it shall give the second Objection Notice to the Contractor in the previously mentioned order. For the avoidance of any doubt, the giving by the Principal of any Objection Notice under Clause 7.5 or second Objection Notice under this Clause 7.6 shall be without prejudice to and shall not relieve the Contractor from the obligation to pay any contractual penalty in accordance with the provisions of Clause 10.2 or to pay Damages in accordance with the provisions Clause 10.3 of this Agreement.

- 7.7 *Final Acceptance.* Final acceptance of the Services shall occur upon remedying by the Contractor of all Defects notified by the Principal to the Contractor in accordance with Clause 7.3, irrespective of the extent or nature of such Defects. Final acceptance shall be evidenced by means of the Principal issuing and both Parties attaching their signatures to the Final Acceptance Note substantially in the form of the *Annex H: Form of Final Acceptance Note* (the "Final Acceptance Note"). In the event the Principal objects to the issuance of the Final Acceptance Note, the Principal shall give notice to the Contractor setting out in reasonable detail all Defects which remain un-remedied, or reason(s) for refusal to issue the Final Acceptance Note. The date of the Final Acceptance Note shall constitute the "Final Acceptance Date" with respect to the Services. The Principal shall not unreasonably withhold or delay issuance of a Final Acceptance Note.

Section VIII. Intellectual Property Rights

- 8.1 *Proprietary Rights.* All Deliverables and Documentation forming part of the Deliverables developed under this Agreement is and shall become the property of the Principal at the moment of creation

regardless of whether the Services or Deliverable is produced or finally accepted. It is acknowledged and agreed by the Parties that the Principal shall be permitted to reproduce the drawings and schemes and distribute the prints in connection with the use or disposition of all of the Deliverables and Documentation forming part of the Deliverables without any approval of the Contractor and without incurring obligation to pay any royalties or additional compensation whatsoever to the Contractor. Additionally, the Contractor duly acknowledges that as per *Annex B: Technical Specification* and *Annex C: Schedule of Services* the Contractor shall deliver to the Principal the correspondent databases, web-interface, including their source code of the respective final Deliverable (the final delivered multimodal transport demand model).

- 8.2 *Licence from employees of Contractor.* The Contractor hereby warrants that it shall obtain from its employees and grant to the Principal an exclusive licence to use the personal IP rights pertaining to the Deliverables and Documentation forming part of the Deliverables. The licence shall be valid for the time period the Intellectual Property is under legal protection.
- 8.3 *Licence to Contractor's Software.* Should the running and/or changing of the source code of a Deliverable and/or of its web-interface is only possible via commercial software that require a licence to be effectively accessed by the Principal, then the Contractor shall furnish such licences in accordance with Section 2.2 of *Annex B: Technical Specification* and *Annex J: Contractor's Proposal*.
- 8.4 *Intellectual Property in Deliverables and Documentation.* The Contractor represents and warrants that it owns all Intellectual Property required for the purposes of completing its obligations under this Agreement and in all Deliverables and Documentation deliverable by or on behalf of the Contractor under this Agreement and that, to the extent any Intellectual Property in any Deliverable and Documentation is not owned by the Contractor, it has obtained all requisite consents from owner(s) of all Intellectual Property in the Deliverable and Documentation to fulfil all of the obligations undertaken by the Contractor under this Agreement and has fully discharged all obligations with respect to payment of any royalties or fees.
- 8.5 *Transfer of Ownership to Principal.* The Principal shall acquire legal title to and ownership in the Intellectual Property in all Deliverables and Documentation deliverable to the Principal under this Agreement as of the moment of delivery by the Contractor to the Principal of the Provisional Completion Note, together with the Deliverable and Documentation and information 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 Services 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 Deliverable and Documentation and information, or any part thereof, and distribute copies of the Deliverable and Documentation and information or any part thereof;
 - (b) the right to modify, amend and supplement the Deliverable and Documentation and information, or any part thereof;
 - (c) the right to licence the Deliverable and Documentation and information, or any part thereof, for use by others; and
 - (d) the right to transfer ownership in the Deliverable and Documentation and information, or any part thereof, to others.
- 8.6 *Grant of Limited License to Contractor.* Upon acceptance by the Principal of any Deliverable and Documentation forming part of any Deliverable in accordance with Clause 7.4, 7.5, 7.6 and 7.7 and Clause 8.7 the Principal shall be deemed to have granted the Contractor an irrevocable and exclusive licence to reproduce, modify and distribute copies of any Deliverable and Documentation forming part of any Deliverable for the purposes of the Services 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 Deliverable and Documentation and information, or any part thereof, for the purposes of performing, implementing or modifying the Services; and
 - (c) the Deliverable and Documentation and information, 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 8.6.

The license in accordance with this Clause 8.6 shall be deemed to have been granted to the Contractor as of the Completion Date.

- 8.7 *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 Contractor or to any third party in consideration of the transfer of ownership in the Intellectual Property in any Deliverable and Documentation.
- 8.8 *No Infringement.* The Contractor represents and warrants to the Principal that no Deliverable and Documentation and information 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 VIII. Intellectual Property Rights* prove to be untrue or inaccurate, the Contractor undertakes, at its own cost and expense, to defend and settle any claim raised by any third party alleging infringement of Intellectual Property in the Deliverable and Documentation and information. The foregoing undertaking by the Contractor shall apply subject to the following conditions:
- (a) the Principal shall notify the Contractor, without undue delay, of any third-party claim alleging infringement of any Intellectual Property in any Deliverable and 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 Contractor; and
 - (c) the exclusive control over any legal proceeding or settlement related any third-party claim shall be exercised by the Contractor; provided, however, that the Principal shall render the Contractor all reasonable assistance toward such proceeding or settlement, at the cost and expense of the Contractor.
- 8.9 *Infringement Proceedings.* In the event the Principal is a party to legal proceedings involving allegations of infringement of any Intellectual Property in the Deliverable and Documentation of any third party, the Contractor 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 Contractor fails to act against claims alleging infringement of any Intellectual Property in the Deliverable and Documentation and information 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 Contractor of reasonable costs and expenses incurred toward such defence.
- 8.10 *Continued Use.* In the event a court of competent jurisdiction resolves in a binding judgment that the Deliverable and Documentation and information, or any part thereof, infringe Intellectual Property of any third party, the Contractor shall, at its own cost and expense, procure for the Principal the right of continued use of the Deliverable and Documentation and information, or part thereof infringing Intellectual Property of a third party.
- 8.11 *License in Intellectual Property of the Contractor.* The Contractor hereby grants the Principal an irrevocable and non-exclusive license to use, reproduce, modify and/or enhance any Intellectual Property of the Contractor, provided and to the extent Intellectual Property of the Contractor 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 8.11 forms part of the Fee and such license shall continue to be valid irrespective of expiration of this Agreement following completion of the Services or termination of this Agreement for any reason.
- 8.12 *Obligation to Procure Intellectual Property Rights.* Where the Contractor is not the legal owner of any relevant Intellectual Property of the Contractor, the Contractor shall use reasonable endeavours to procure for the Principal the rights specified in accordance with Clause 8.11.
- 8.13 *Obligation to Indemnify with Respect to Uses Other Than for the Purpose.* The Principal shall defend and indemnify the Contractor from and against any and all Damages and Costs arising from the use by the Principal of any Intellectual Property of the Contractor other than for the purposes of the Railway and/or the Project.
- 8.14 *Indemnification by the Contractor.* The Contractor 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 Contractor, to the extent use by the Principal is within the scope of the license granted to the Beneficiary in accordance with Clause 8.11.
- 8.15 *Certain Rights of Contractor.* The Contractor shall have the right to include photographic or artistic representations of the design of the Project among the Contractor's promotional and professional materials after obtaining prior written approval from the Principal. The Contractor shall be given reasonable access to the completed Project to make such representations. However, the Contractor's

materials shall not include the Principal's confidential or proprietary information regardless of whether or not the Principal has previously advised the Contractor in writing of the specific information considered by the Principal to be confidential or proprietary. These materials also shall not contain any information or data that shall be used in accordance to any conditions and requirements set forth by the Principal or other entity; in this case the Contractor shall comply with such conditions and requirements.

Section IX. Termination and suspension

9.1 *Termination for Material Breach or Bankruptcy.* Subject to the provisions of Clause 9.2, 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 9.1 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 20,000 EUR due to the other Party or perform any part of the Services valued at least 20,000 EUR);
- (b) failure by the Contractor to duly address any of the matters raised in the second Objection Notice given by the Principal in accordance with Clause 7.6;
- (c) failure by any Deliverable to conform to any of the material requirements to such Deliverable contained in the *Annex B: Technical Specification* and *Annex C: Schedule of the Services*, provided that such failure is not capable of being remedied during the Cure Period;
- (d) failure by the Principal to make any payment to the Contractor in accordance with this Agreement within at least fifteen (15) Working Days from the date of payment falling due;
- (e) any of the representations or warranties given by either Party under Clause 5.1 or any of the representations or warranties given by the Contractor under Clause 5.2 proving to be untrue; or
- (f) breach by the Contractor of the undertaking contained in Clause 8.12.

9.2 *Corrective Period.* In the event of breach by either Party of its obligations under this Agreement, the non-breaching Party shall allow the breaching Party seven (7) days for corrective action or submission of a corrective action plan (the "Corrective Period"). The Corrective Period shall be counted from the date of receipt by the breaching Party of a written notice of breach. Should no satisfactory corrective action be taken, or acceptable corrective action plan provided by the breaching Party, the non-breaching Party shall have the right to terminate the Agreement. It is acknowledged and agreed by the Parties that the provisions of this Clause 9.2 shall not apply with respect to any of the events enumerated in accordance with Clause 9.4. In addition and for the avoidance of any doubt, the application of the Corrective Period under this Clause 9.2 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 10.2 or to pay Damages incurred by the other Party in accordance with the provisions of Clause 10.3.

For the sake of clarity, the Corrective Period is not applied in case of a material breach under Clause 9.1 (b) in which case the purpose of the Corrective Period is fulfilled by the Cure Period or the period mentioned in the Objection Notice under Clause 7.6 (b) (as the case may be) and its prior application.

9.3 *Right to Terminate Immediately.*

9.3.1. 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 16.2;
- (b) an event of Force Majeure has been continuing during more than sixty (60) days;
- (c) the other Party had passed a resolution for winding-up (other than in order to amalgamate or reconstruct);
- (d) breach by the Contractor any of the confidentiality undertakings contained in the *Section XI. Force Majeure*;
- (e) the other Party is unable to pay its debts and has presented a petition for voluntary bankruptcy;
- (f) the other Party had a bankruptcy order issued against it;

- (g) liquidation, insolvency or legal protection proceedings have been initiated with respect to the other Party or the other Party is declared insolvent;
 - (h) the occurrence of any event analogous to the events enumerated under Clauses 9.3.1(e) - (g) under the law of any jurisdiction to which the other Party's assets and undertaking are subject.
- 9.3.2. *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:
- (a) CEF Co-financing for further financing of the Services is not available to the Principal fully or partly;
 - (b) failure by the Contractor to comply with *Security Clearance Requirements* under Clause 4.6.2;
In case of Clause 9.3.2 (a) and (b), the Principal shall pay the Contractor 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 Contractor.
 - (c) it is not possible to execute 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.
 - (d) in case if the proposed time schedule described in the *Annex C: Schedule of the Services* is breached.
- 9.3.3. *Termination according to Public Procurement Law.* 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 Section 64 of the Public Procurement Law of the Republic of Latvia. In such a case, the Principal shall pay the Contractor the fees in respect of the Works and 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 Contractor.
- 9.4 *Right to Advance to Completion.* In the event the Contractor fails to fulfil any of its obligations, or fails to cure any breach in accordance with Clause 9.2, and the Agreement is terminated by the Principal, the Principal may advance the Services to completion by employing the services of other professional service supplier(s) or by other means available to the Principal. The Contractor shall be liable to the Principal for any and all additional costs incurred due to failure by the Contractor to perform. The rights and remedies available to the Principal set forth in accordance with this Clause 9.4 shall be in addition to any and all other rights and remedies available under Applicable Law.
- 9.5 *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 4.4, 4.5, 7.3, 8.4, 8.5, 8.7, 8.8, 8.14, 9.6, 10.1, 10.2, 10.3, 16.1 and *Section XII. Confidentiality, Section XIII. Right to Audit, Section XIV. On-the-spot-visits and Section XV. Governing Law and Resolution of Disputes* 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 9.5(b).
- 9.6 *Partial Acceptance.* Notwithstanding anything in this Agreement to the contrary including, without limitation, the provisions of Clauses 7.4, 7.5, 7.7 and 7.8 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 part of the Services delivered to the Principal under this Agreement (the "Right of Partial Acceptance"). The Principal shall notify the Contractor of its intention to exercise the Right of Partial Acceptance in the termination notice given in accordance with Clause 9.1 or Clause 9.3 of this Agreement, specifying, in reasonable detail, the Works, part of Works or part of the Services which the Principal would like to partially accept. In the event of receipt of such notice, the Contractor 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 Services and determination of the amount of consideration payable by the Principal.

- 9.7 *Principal's Obligation to Pay.* Subject to the provisions of Clause 9.6 and except in the event of termination by the Principal occurring as a result of violation by the Contractor of Clause 16.1, or termination by the Principal according to Clause 9.3.2 or 9.3.3 in the event this Agreement is terminated for any reason prior to completion of the Services, the Principal shall have an obligation to pay the Contractor the following:
- (a) the Costs incurred by the Contractor up to the date of termination; and
 - (b) except where termination is due to negligence of the Contractor, due to the application of international sanctions, breach by the Contractor, insolvency of the Contractor or a Force Majeure Event under the *Section XI. Force Majeure* an amount equal to the costs reasonably and properly incurred by the Contractor as a result of or in connection with such termination.
- 9.8 *No Obligation to Pay Costs Incurred Prior to Acceptance.* Notwithstanding anything set forth in this Agreement to the contrary including, without limitation, under Clause 9.7, the Principal shall have no obligation to pay any of the Costs incurred by the Contractor with respect to any Works or the Services (or part of any Works or the Services) not deemed as having been accepted by the Principal in accordance with Clauses 7.4, 7.6 and 7.7.
- 9.9 *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 X. Liability

- 10.1 *Liability of the Parties.* The Contractor 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 10.2 if a breach of any of the obligations of the Contractor under this Agreement is established against the Contractor. The Principal shall be liable to pay the contractual penalty set forth in accordance with Clause 10.2 if a breach of payment obligations of the Principal under this Agreement is established against the Principal.
- 10.2 *Contractual Penalty.* In the event of failure by the Contractor to meet any Services Milestone and/or supply any Deliverable, the Contractor shall be liable to pay to the Principal a penalty of zero point five percent (0.5%) of the amount of total the Fee payable under this Agreement with respect to the relevant Services period for each day of delay starting from the first delayed day with meeting any of the Services Milestones and/or supplying any of the Deliverables set forth in accordance with the *Annex C: Schedule of the Service* provided, however, that the total amount of penalty payable by the Contractor under this Clause 10.2 for the relevant Works, as specified according to the *Annex C: Schedule of the Service* shall not exceed ten percent (10%) of the total amount of the Fee. In the event of failure by the Principal to pay any amount in accordance with Clause 6.1, the Principal shall be liable to pay the Contractor a penalty of zero point five percent (0.5%) 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 10.2 shall not exceed ten percent (10%) of the total amount remaining unpaid under the relevant invoice.
- 10.3 *Compensation for Damages.* Notwithstanding of and without prejudice to any contractual penalty payable in accordance with Clause 10.2 and subject to the provisions of Clause 10.5, 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; and
 - (b) if either Party is considered to be liable jointly with third parties to the other, the proportion of compensation payable by the liable Party shall be limited to that proportion of liability which is attributable to the breach by the liable Party.
- 10.4 *Attribution of Damages.* Any Damages suffered by either Party shall, for the purposes of Clause 10.3, 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.
- 10.5 *Limitation of Liability.* Notwithstanding anything to the contrary set forth in this Agreement, in no circumstances shall the Contractor 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 or any indirect or consequential loss arising out of or in connection with this Agreement. The Contractor's total liability for the Works carried out under this Agreement shall in no circumstances exceed EUR 1 400 00,00 (one million and four hundred thousand euros).

Section XI. Force Majeure

- 11.1 *Effects of Force Majeure.* Subject to the requirements set forth in accordance with Clauses 11.2 and 12.3, 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 on 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
 - (b) not be relieved from liability under this Agreement to the extent that it is not able to perform, or has not in fact performed, its obligations under this Agreement due to any failure to comply with its obligations under Clause 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(a) and an estimate of the period of time required to overcome the Force Majeure Event. The affected Party shall provide the other Party with any further information it receives or becomes aware of which relates to the Force Majeure Event and provide an update on the estimate of the period of time required to overcome its effects.
- 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 Services to mitigate the effects of the Force Majeure Event and to facilitate the continued performance of this Agreement.

Section XII. Confidentiality

- 12.1 *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 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, but excludes information which:
- (a) the Principal confirms in writing is not required to be treated as confidential; or
 - (b) the Contractor 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 Contractor from the Principal under an obligation of confidence; or
 - (c) was developed by or for the Contractor at any time independently of this Agreement.
- 12.2 *Undertakings with Respect to Confidential Information.* Subject to Clauses 12.1 and 12.3, the Contractor 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 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 Party to which such Confidential Information relates.
- 12.3 *Permitted Disclosure.* Notwithstanding anything to the contrary set forth in accordance with Clauses 12.1 and 12.2, the Contractor shall, without the prior written consent of the Principal, be entitled to disclose Confidential Information:

- (a) 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;
 - (b) to enable a determination to be made pursuant to the *Section XIV. On-the-spot-visits*;
 - (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.
- 12.4 *Obligation of Confidentiality Pertinent to Recipients of Confidential Information.* Whenever disclosure is permitted to be made pursuant to Clauses 12.3(a) or (c), the Contractor shall require that the recipient of Confidential Information be subject to the same obligation of confidentiality as that contained in this Agreement.
- 12.5 *Certain Obligations on Termination of Agreement.* If this Agreement is terminated for whatsoever reason, the Contractor shall:
- (a) return to the Principal all the Confidential Information then within the possession or control of the Contractor; or
 - (b) destroy such Confidential Information using a secure and confidential method of destruction.
- 12.6 *No Press Release by Contractor.* Save as required by Applicable Law, the Contractor 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.
- 12.7 *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 Contractor to the Principal during provision of the Services.
- 12.8 *Remedies.* The Parties acknowledge and agree that a breach of the provisions of this *Section XII. Confidentiality* may cause the owner of Confidential Information to suffer irreparable Damages that could not be adequately remedied by an action at law. Accordingly, the Contractor agrees that the owner of Confidential Information that is disclosed in breach of Clauses 12.2, 12.4 or 12.6 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 XIII. Right to Audit

- 13.1 *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 Contractor to ensure compliance with the terms of this Agreement, including inspecting and/or auditing:
- (a) the performance of any aspect of the Services; and/or
 - (b) any documentation, including all payrolls, accounts of the Contractor and/or other records used in or related to the performance of the Services.
- 13.2 *Obligation to Assist.* The Contractor 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 XIII. Right to Audit*. 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 Contractor is not compliant with the terms of this Agreement, in which case the Contractor shall reimburse the Principal for all of its additional reasonable costs incurred, provided such non-compliance is material.
- 13.3 *Survival of Termination.* The rights and obligations of the Principal set forth in accordance with this *Section XIII. Right to Audit* 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 XIV. On-the-spot-visits

- 14.1 *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.
- 14.2 *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.
- 14.3 *Access to the information.* Contractor 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.
- 14.4 *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 883/2013 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 XV. Governing Law and Resolution of Disputes

- 15.1 *Governing Law.* This Agreement shall be governed by and construed in accordance with law of the Republic of Latvia.
- 15.2 *Resolution by Amicable Means.* The Parties shall first attempt to settle any dispute, controversy or claim arising out of or relating to this Agreement through good faith debate, discussion, and negotiating prior to submitting them to mediation, arbitration, or other legal proceeding.
- 15.3 *Venue for Resolution of Disputes.* Should the Parties fail to agree by means of amicable negotiations within the time period of two (2) months 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 all 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.

Section XVI. Miscellaneous provisions

- 16.1 *Capacity.* Each Party warrants to the other Party that 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.
- 16.2 *Conflict of Interest, Corruption and Fraud.* Notwithstanding any penalties that may be enforced against the Contractor under Applicable Law, or the laws of other jurisdiction(s), the Contractor shall be deemed to have committed a breach under this Agreement and the Principal shall be entitled to terminate this Agreement immediately and without any regard to the provisions of Clause 9.2, if it is shown that the Contractor is guilty of:
- (a) offering, giving, receiving or soliciting anything of value with a view to influencing the behaviour or action of anyone, whether a public official or otherwise, directly or indirectly in the selection process or in the conduct of the Agreement; or

- (b) misrepresentation of facts in order to influence a selection process or the execution of a contract to the detriment of the Principal, including the use of collusive practices intended to stifle or reduce the benefits of free and open competition.
- 16.3 *Notices.* Notices under the Agreement shall be in writing and will take effect from receipt by the Party to which the notice is addressed at the address of the Party set forth in the Preamble to this Agreement. Delivery can be by hand or facsimile message against a written confirmation of receipt or by registered letter.
- 16.4 *Relationship of the Parties.* The relationship between the Contractor to the Principal under this Agreement is that of independent contractors. The Contractor (or the Contractor's Sub-Contractors) is not an employee of the Principal, is not carrying out the regular business of the Principal and is not subject to the same employment regulations as are applicable to employees of the Principal. Each of the Parties shall be solely and entirely responsible for their own acts and the acts of their employees. No benefits, special considerations, or employer/employee-type provisions are provided by the Principal to the Contractor, the Contractor's employees, or the Contractor's consultants, or the employees of such consultants.
- 16.5 *Severability.* If any provision of this Agreement shall be held to be illegal, invalid, void or unenforceable under Applicable Laws, the legality, validity and enforceability of the remainder of this Agreement shall not be affected, and the legality, validity and enforceability of the whole of this Agreement shall not be affected.
- 16.6 *Successors and Assigns.* The Principal and the Contractor 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.
- 16.7 *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 all Parties. The Agreement can be amended in compliance with the provisions of Section 61 of the Public Procurement Law of the Republic of Latvia.
- 16.8 *Entire Agreement.* This Agreement, and the Annexes hereto, constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes and extinguishes all and any prior drafts, undertakings, representations, warranties and arrangements of any nature, whether in writing or oral, relating to such subject matter.

Signed by:

For and on behalf of the Principal:

For and on behalf of the Contractor:

Agnis Driksna
Chairperson of the Management Board

Silvia Margherita Anna Maffii
Managing Director

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

Annex A: Definitions and common terms

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

- (a) "Agreement", this Agreement, together with all Annexes thereto.
- (b) "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, these terms shall include any legislative act or directive relevant to public procurement.
- (c) "Approved Staff", any person or organization listed pursuant to the *Annex E: List of Approved Sub-Contractors and Staff*, which is in a contractual relationship with the Contractor to provide a part of the Services.
- (d) "Approved Sub-Contractor", any person or organisation listed pursuant to *Annex E: List of Approved Sub-Contractors and Staff*, which is in a contractual relationship with the Contractor to provide a part of the Services.
- (e) "Completion Date", as defined in accordance with Clause 7.4 and 7.6, as appropriate.
- (f) "Confidential Information", as defined in accordance with Clause 12.1 of the Agreement.
- (g) "Contractor", the company TRT TRASPORTI E TERRITORIO S.R.L., as further specified in the Preamble of this Agreement, which is employed by the Principal as an independent professional contractor to perform the Services, and legal successors to the Principal and permitted assignees of the Principal.
- (h) "Contractor's Software", the object code versions of any downloadable software owned by or duly licensed to the Contractor solely for the purpose of accessing the Services and/or Deliverables, including but not limited to an agent, together with the updates, new releases or versions, modifications or enhancements, owned or licensed to and provided by the Contractor to the Principal pursuant to this Agreement, together with all pertinent Documentation and other instructions related to such software.
- (i) "Costs", direct costs reasonably incurred in relation to the Project. Specifically, the Cost shall include any of the following:
 - (i) costs of all materials and supplies forming part of the Services, 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 Contractor in the performance of the Services or relating to the Services;
 - (iii) salaries of the Contractor's employees for the time that they spend in connection with the Services;
 - (iv) payments to sub-contractors for Works relating to the Services;
 - (v) costs of all employee benefits and taxes for items such as social security and other benefits for the labour and employees;
 - (vi) costs, including transportation and maintenance, of equipment and hand tools not owned by workmen employed by the Contractor which are employed or consumed toward the Services;
 - (vii) payments for rental charges for machinery, equipment, facilities and tools used in connection with the Services, 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 Services;
 - (ix) that portion attributable to this Agreement of premiums for insurance that is required by this Agreement (if applicable) or by law to be obtained or maintained by the Contractor;
 - (x) sales, use, gross receipts or other taxes related to the Services, imposed by any governmental authority, to the extent that the Contractor is responsible for such taxes;
 - (xi) costs of long-distance telephone calls, telephone service at the site and postage relating to the Services;
 - (xii) costs of any data processing services used in connection with the performance of the Work required under this Agreement; and

- (xiii) losses and expenses, not compensated by insurance, sustained by the Contractor in connection with the Works under this Agreement (if applicable), provided they resulted from causes other than the fault or neglect of the Contractor.
- (j) "Commencement Date", as first above specified in the Preamble to this Agreement.
- (k) "Corrective Period", as defined in accordance with Clause 9.2.
- (l) "Cure Period", as defined in accordance with Clause 7.3.
- (m) "Damages", any cost, claim, damage, demand, loss, expense or liability incurred by the relevant Party or Person.
- (n) "Defect", a part of the Services which is not in accordance with the *Annex B: Technical Specification*, the Applicable Law or Good Industry Practice.
- (o) "Deliverable", any information, notes, material, drawings (including drawings in 3D model), models, records, documents, source codes and/or other items which the Contractor is required to deliver to the Principal as part of the Services, as further specified pursuant to the *Annex C: Schedule of the Services* and *Annex B: Technical Specification*.
- (p) "Documentation", all records, correspondence, and files of the Contractor, its employees, engineers, and consultants pertaining to the Project, this Agreement and a particular Deliverable or part of a Deliverable.
- (q) "EUR" and "euro", the official currency of the eurozone, officially known as the euro area.
- (r) "Fee", as specified in accordance with the *Annex D: Fee and Payment Schedule*.
- (s) "Final Acceptance Date", as defined in accordance with Clause 7.7.
- (t) "Final Acceptance Note", as described in accordance with Clause 7.7.
- (u) "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;
 - (vi) discovery of fossils, antiquities or unexploded bombs; and/or
 - (vii) strike, lockout or other industrial action other than involving the Contractor or the Principal.
- (v) "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 Work, Services or services of a similar size, nature, scope, type and complexity, complying with Applicable Law, applicable Standards and published codes of practice.
- (w) "Intellectual Property", all intellectual property rights in any part of the world in respect of any documentation or information provided by the Contractor to the Principal, including any patent, patent application, trade mark, trade mark application, registered design, registered design application, utility model, trade name, 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.
- (x) "Intellectual Property of the Contractor", all Intellectual Property owned or licensed to the Contractor with a right to sub-license.
- (y) "Objection Notice", as defined in accordance with Clause 7.5.
- (z) "Party" and "Parties", the Principal and the Contractor and include their respective successors in title, permitted assigns and permitted transferees.

- (aa) "Person" shall include any person, company, body corporate, 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.
- (bb) "Project", development of a 1435 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).
- (cc) "Principal", the company RB Rail AS, as further specified in the Preamble of this Agreement, which employs the services of the Contractor, and legal successors to the Contractor and permitted assignees of the Contractor.
- (dd) "Provisional Acceptance Note", as defined in accordance with Clause 7.5.
- (ee) "Provisional Completion Note", as defined in accordance with Clause 7.4.
- (ff) "Railway", a new fast conventional double track electrified railway line according TSI INF P2-F1 criteria and European standard gauge (1435 mm) on the Route.
- (gg) "Residence Certificate", a certificate mentioned in Clause 5.2(h).
- (hh) "Right of Partial Acceptance", as defined in accordance with Clause 9.6.
- (ii) "Services", Rail Baltica transport demand model development and analysis as laid down in this Agreement.
- (jj) "Services Start Date", as indicated in the *Annex C: Schedule of the Services*.
- (kk) "Standards", CEF Standards and Grant Agreement Standards.
- (ll) "Services Milestone", the date for delivery of one or more Deliverables, as set out in the *Annex C: Schedule of the Services*.
- (mm) "VAT", value added tax.
- (nn) "Working Day", any day (other than Saturday or Sunday) on which banks in the Republic of Latvia are open for conduct of business.
- (oo) "Works", all incidental works, steps and actions performed by the Contractor for the attainment of the objectives of the Services and/or the Project.

TECHNICAL SPECIFICATION FOR THE OPEN COMPETITION

"RAIL BALTICA TRANSPORT DEMAND MODEL DEVELOPMENT AND ANALYSIS"

(ID NO RBR 2020/13)



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

Riga

2020

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

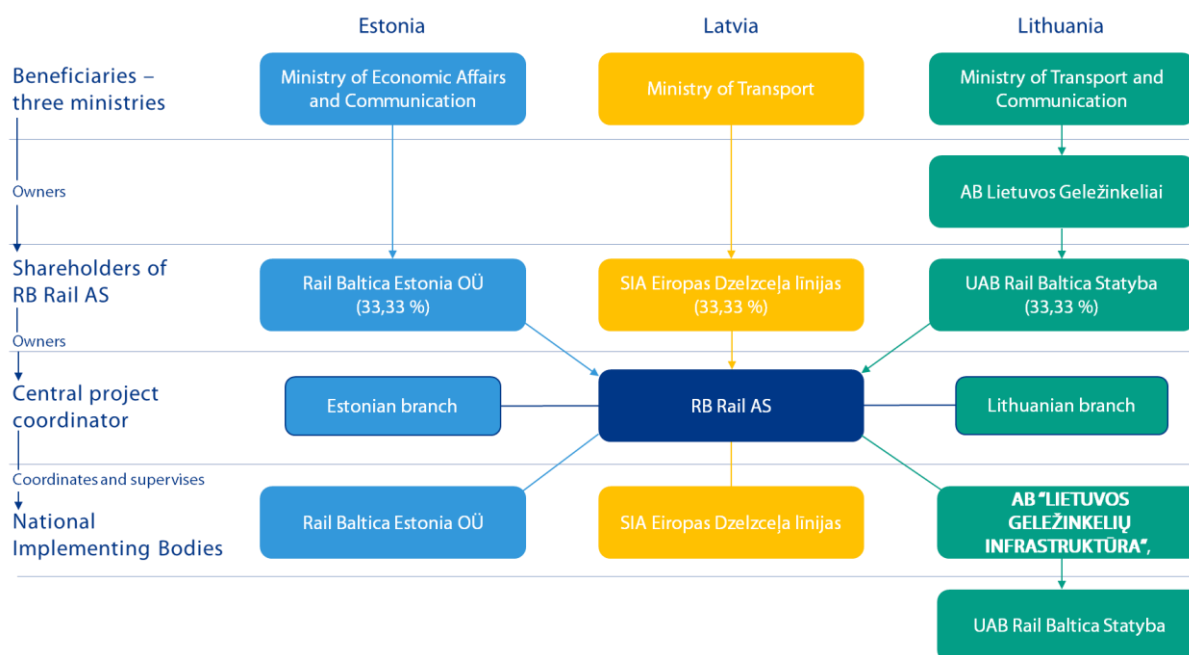
The ambitions of the Rail Baltica Global project (Global Project) are:

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

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

The Contracting authority RB Rail AS (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 diagram below illustrates the shareholder and project governance structure of the Rail Baltica project.



RBR together with governments of Estonia, Latvia and Lithuania (represented by the ministries in charge of transport policy) have applied for the CEF co-financing in 2015, 2016 and 2017 (three applications in total). The applications were successful and INEA grants are available to support the Global Project expenses.

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

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

2. OBJECTIVES OF THE SERVICE

2.1. Model scope

The primary objective of the Service is to implement a multimodal transport demand model (hereinafter - DM) to forecast the passenger and freight demand for the Rail Baltica Global project infrastructure (hereinafter - RB) for the first 30 years of operation.

The fundamental approach of the DM shall be to use state-of-art transport demand mathematical modelling techniques to describe the long distance and regional transport behavior observed in the reference area, as defined in the following of this document, in the current state of the system (do-nothing scenario) and its likely evolution after the implementation of Rail Baltica Global project (RB base scenario).

The DM shall:

- (i) undertake a generation to assignment approach for both passengers and freight demand to predict the travel choice, including mode and routing, made by the users travelling through the transport network in the reference area;
- (ii) describe the loaded transport network after this process has been completed, for the do-nothing and RB base scenarios;
- (iii) be able to model the different states of the transport network based on, among others, variation in the overall travel demand, network changes and changes in socio-economic environment, so allowing the simulation of different and newly created scenarios.

Overall, the DM output must:

- provide support for the finalization, calibration and validation of the RB infrastructure design and operational planning, as well as helping in identifying and further develop areas/services with future commercial potential;
- allow quantifying the likely impacts that will result from the implementation of RB on the mobility in the Baltic States in the medium and long period, the potential synergies of RB with national mobility plans, as well as the impacts that national and international transport and environmental policies may have on the performances of RB;
- provide quantitative information that informs appraisal schemes, including Cost Benefit Analysis, Financial Analysis and Environmental Assessment for the RB as well as for products and services business cases. In this respect, the DM must overall be implemented in line with the European Commission Guide to Cost-Benefit Analysis of Investment Projects (2014)² to ensure the seamless inclusion of its output in such appraisal schemes.

2.1.1. *Geographical coverage, network representation and zoning system*

The reference area for the DM shall be appropriate for precisely representing the catchment area for RB passenger and freight demand. The direct catchment shall include the three Baltic States, namely Estonia, Latvia and Lithuania, and the countries along the North Sea Baltic core network corridor (Finland, Poland and Germany). When appropriate (particularly in reference to the analysis of maritime, air transport and cargo flows), the geographical coverage should be extended to include zones in the broader catchment area of RB, including North-western and central Russia, Belarus, Western Europe, Southern Europe and the Balkan region, and the zones of transcontinental North Sea ports, as well as considering synergies with the Adriatic corridor, Arctic corridor and Silk road.

The level of detail of the transport network must vary across the reference area of the DM. As a rule of thumb, the highest level of detail is required near RB infrastructure and facilities. In these areas, the network should cover all relevant alternative routes where transport demand is likely to be affected by the implementation of RB project. Overall, only roads that carry a significant volume of traffic and/or are relevant to the level of the requested analysis should be considered.

With respect to the zoning system, the DM shall model long distance as well as regional demand for RB having as reference the EU NUTS 3 zone system³ for both for passenger and freight demand. The modelled zones are

² European Commission. Guide to Cost-Benefit Analysis of Investment Projects. Economic appraisal tool for Cohesion Policy 2014-2020 (2014). Available here: https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/cba_guide.pdf.

³ Regulation (EC) No 1059/2003 of the European Parliament and the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS). Available here: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:02003R1059-20180118&qid=1519136585935>.

nevertheless expected to vary in size depending on the specific characteristics of the geographical areas as well as the relevance to the demand modelling of RB. As a rule of thumb, the definition of the zoning system shall consider that the highest level of detail is required near RB infrastructure, particularly in proximity of stations and facilities, with a decreasing level of detail for areas closer to the model geographical boundaries, while neighboring countries can be simply modelled as macro-zones for access/egress points to the network.

The Tenderer in the Technical proposal shall suggest a methodology to solve potential problems arising from the existing imbalances in the size (in terms of population and area) of these zones across the reference area. The final definition of the zoning system shall be agreed with RBR in the Inception phase of the contract, also based on considerations related to data collection. Overall, there shall be a reasonable balance between zoning and network density and each modelled zone should be connected to the network whenever relevant.

2.1.2. Time horizon and scenarios definition

The Tenderer in the Technical proposal shall propose options for the reference year to be used for the calibration and validation of the DM, depending on data availability, including with the view of the impact of COVID-19 on 2020 and forward worldwide mobility of passengers and freight, and it will be discussed and agreed with RBR during the Inception phase of the study. The DM shall provide demand forecasts for 30 years period (2026-2055).

The Contractor⁴ shall deliver demand forecasts under current trends and adopted policies for:

- (i) the do-nothing scenario;
- (ii) RB base scenario;
- (iii) alternative scenarios.

The DM shall be designed so that the alternative scenarios can be assessed, representing variation in the model input as well as broader policy schemes, including:

- changes in the overall travel demand;
- changes in the transport network and transport services;
- changes in the policy/economic/land-use parameters that influence user behaviour (e.g. internalisation of external costs, policies aiming at increasing energy efficiency and abatement of GHG emissions, legislation to promote modal shift, etc.).

The number and the characteristics of the alternative scenarios will be defined by RBR and agreed with the Contractor after the model calibration and validation of the do-nothing scenario (Section 2.5 of the Technical specification, Work Package (hereinafter – WP) 3.1) and may cover the implementation of scenarios related to, among others: internalization of external costs, modelling variations in the transport network, deployment of Intelligent Transport Systems, policies aiming at increasing energy efficiency and abatement of GHG emissions, etc. The do-nothing scenario, the RB base scenario and the additional scenarios will serve for testing and validating the model.

2.1.3. Methodological approach

The DM shall be based on the classical four-stage transport modelling framework (i.e. including generation, distribution, mode choice and assignment steps, with iterations) rooted in the economic theory and mathematical modelling. Supply-demand relations in all steps of the model shall be based on well-tested formulations and shall follow proven algorithms. This shall include all relevant (mode-specific) explanatory factors such as transport costs, journey times, quality of service, etc. The parameterization of the model relations (elasticities, etc.) shall also follow standard, well-checked methodologies. The model shall allow developing projections and scenarios for the overall transport activity covering, within the relevance for the demand of RB, interurban and intercontinental dimensions for both passenger and freight transport, for all relevant transport modes (road, rail, inland waterways, sea and air). The solution algorithms chosen for modelling transport activity should reflect real mobility behavior, logistic relations and realistic supply-demand elasticities, in order to facilitate the process of model calibration.

⁴ The definitions “Tenderer” and “the Contractor” are considered as equal in terms of their meaning.

2.1.4. Modelled demand description

In principle, the analysis of the demand to an urban dimension goes beyond the scope of this modelling exercise, unless it is needed in the view of the Contractor for the analysis of the multimodal demand of selected RB facilities, such as the RB airport stations.

For the interurban dimension, a distinction would be needed between intra-zonal traffic and inter-zonal traffic. For intra-zonal traffic (local and short distance traffic), a similar approach to the urban traffic shall be adopted. Instead, for inter-zonal traffic the traffic assignment on the regional and national transport network shall be explicitly modelled by the DM. In addition, the evolution of trade patterns, mobility behavior and logistic relations shall be included. Finally, for the intercontinental dimension, maritime, air transport and cargo flows between the Baltic States and neighboring countries shall be included in the DM.

With respect to the passenger demand, the passengers shall be subdivided into groups of similar mobility behavior (at least: commuters, leisure and business travelers). The DM shall model the demand for all modes available in the reference area for intra-zonal (when required) and inter-zonal traffic, including cars (drivers and passengers), buses/coaches, railways (conventional and high-speed, international and regional, and night train in the RB scenarios), ferries and airplanes, and include multimodal mobility chain and considerations related to "last mile" mobility.

With respect to freight demand, all main types of freight will be modelled, including general cargo (e.g. containers, trailers, less-than-wagon load, e-commerce/postal tanker wagons, refrigerated cargo (reefers or tank containers), bulk cargo (e.g. break bulk, liquid bulk, dry bulk), and project cargo. The DM shall model the demand for all modes available in the reference area for inter-zonal traffic, including rail, road, maritime, air and multimodal logistics and supply chains.

Aspects related to multimodality for both passenger and freight transport shall be duly considered. Special attention shall be given to RB passenger stations and stops and intermodal facilities, providing detailed passenger and freight flows. Furthermore, the DM shall allow changes in the transport modal chains for optimizing the location of passenger regional stops as well as freight intermodal facilities.

2.1.5. List of expected model output (including format and scenarios)

The results of the DM shall comprise (as a minimum) the following elements, for all modes of transport (road, rail, inland waterways, sea and air) and their interfaces (1435/1520mm, sea and inland ports, rail-road terminals, airports), for the entire geographical scope of the model:

- Origin-destination matrices;
- Journey times matrices (with and without congestion effects);
- Cost and generalized cost matrices;
- Distances matrices;
- Section related traffic flows: passengers, (net) tones, cars, coaches, trucks, trains and barges, per average working day and per year;
- Traffic activity differentiated by spatial dimensions: passenger-km, (net) tone-km, car-km, coach-km, truck-km, train-km, barge-km, per average working day and per year;
- Traffic freight activity differentiated by relevant type (containers, trailers, postal, bulk, break bulk, project cargo, etc.);
- Passenger stations and stops detailed passenger flows;
- Intermodal facilities detailed freight flows;
- Total costs, including a split by category of costs. External costs shall be further split by category (including congestion and air pollutants, noise, accidents, climate change and infrastructure wear and tear);
- Energy consumption by type of fuel and energy carrier, GHG emissions and impacts on pollutant emissions (NO_x, PM, SO_x), noise and traffic safety;
- Effects on accessibility of different areas within the geographical scope of the model.

The DM output shall allow segmenting the results, when applicable, into the categories mentioned above (i.e. groups of similar mobility behavior and commodity types). For both passengers and freight, the traffic flows by section and the traffic performance values shall allow to associate the flows to specific origin-destination relations and a distinction between purely national and transit traffic flows.

The DM shall allow deriving results at aggregate level for passenger and freight transport activity by mode and the corresponding energy consumption by type of fuel and energy carrier, the emissions and costs, for the Baltic States as a whole and by country (Estonia, Latvia, Lithuania).

For all the indicators mentioned above, the DM shall provide detailed numerical results in a format which enables data transfer to other applications, as well as maps when applicable. The presentation of the detailed numerical results and maps shall be agreed with RBR in the Inception phase and shall be refined during the provision of the Services.

The model shall be validated and proven capable to deliver defensible results for passenger and freight traffic for all modes. In the Technical proposal, when describing the model output, the Tenderer shall elaborate clearly the strategy and methodology to be employed to validate model results. A methodology for the quantitative assessment of the uncertainty in the model forecasts shall be proposed by the Tenderer in the Technical proposal.

2.2. Running platform and software

RBR shall have full and unrestricted use and ownership of the DM and of its correspondent databases and web-interface, including their source code.

The chosen software shall allow the DM to:

- a) be able to produce the model output listed in the Section 2.1.5 of the Technical specification;
- b) be able to implement various transport demand analysis tasks (at least: scenario analysis and forecasting);
- c) have a mapping interface for the visualization of the model output and for most of the routine interactions with the software (at least: retrieving information for selected geographical areas or specific infrastructural items, modification of the characteristics of some model component such as road links level of service, etc.);
- d) be able to provide result also in a data format compatible with other software used in the railways industry and beyond (at least: RailML and shapefile or GeoJSON referenced to data);
- e) include specific functionalities for public transport and intermodality demand analyses (at least: timetable integration) (not mandatory requirement, shall be evaluated according to Section 20.5.3. (b) of the Regulations).

The Tenderer in the proposed contract price shall include:

- 1) yearly maintenance of the software until 2023 (including);
- 2) training for at least 3 (three) RBR employees, covering the basic functionalities of the model and including scenario creation and running.

If a commercial software is required for running and/or changing the source code of the DM and/or of its web-interface, the proposed contract price must also include:

- 1) the cost of the purchase in favor of RBR of 2 (two) software licenses for installation on RBR systems that could be used in parallel and not limited in time;
- 2) the cost necessary for running and/or changing the source code of the model and/or of its web-interface.

The architecture and design of the DM and web-interface, shall allow the installation and execution on servers within RBR, whether "on-premises" or in a RBR-provided cloud computing environment; for avoidance of doubt, a cloud environment controlled by the Contractor will not be considered. The architecture of the system shall allow the DM and the web-interface to interact while being installed on 2 (two) separate servers. All information and data shall be stored inside the European Union.

With respect to backups, if the DM will be installed in servers within RBR, the contractor shall provide the list of items, files and databases that should be backed up for successful system restore. In case the DM is hosted on cloud, RBR shall be involved in the backup schedule, concerning how often backups are run and how long they are kept and stay available.

If in order to arrive at a fully functional version of the model and its web-interface, a close collaboration with RBR is required for intermediate versions of the model to be correctly installed on RBR servers, the Technical proposal shall contain details on the time and resources needed from RBR for these installation and testing steps including in addition the training of no less than 2 (two) members of the RBR IT support team.

2.3. Model database and data collection strategy

The Tenderer in the Technical proposal shall describe the suggested approach to identify and review potential data sources, and how they will be used to develop the model and implement the forecasts. It shall describe also the approach to:

- the use of data to develop a detailed origin-destination matrix of passenger and freight journeys;
- the use of relevant data to forecast market growth at an appropriate level for the future origin destination matrix;
- designing the primary research program and subsequent analysis required to determine travelers' preferences and modal choice at the level of detail required to forecast for specific customer segments;
- determining the rail share for freight journeys (divided as indicated in the Section 2.1.4 of the Technical specification);
- the use of relevant data to forecast modal development in both the passenger and freight contexts;
- the use of relevant data to estimate induced demand.

For traffic data, the accuracy should guarantee the correct representation of traffic flows. At aggregate level, the database shall ensure consistency with the transport activity by mode and European Union Member State expressed in passenger-km and ton-km from Eurostat and the European Commission publication "EU transport in figures – Statistical Pocketbook 2019"⁵.

The Contractor shall use the available macro-economic data needed to describe the population and economic situation of the traffic zones available in Eurostat as well as National Statistics Institutes. Whenever required, a well-founded disaggregation shall be foreseen and documented in the description of the database.

The Contractor shall document the model database details, including the data sources. As the transport corridor served by RB and its direct catchment area includes Finland, Poland and Germany, the Contractor must be aware and ready to work using sources originated in those countries. The data to be included in the database shall be carefully checked while calibrating the model and all inconsistencies and the necessary adjustments for the model development shall be documented in the description of the database.

The overall data collection strategy shall be finalized and agreed between the Contractor and RBR during the Inception phase (Section 2.5 of the Technical specification, WP1.4).

2.4. Documentation

For the implementation of the task, the Contractor may refer, among others, to the following documentation:

- Rail Baltica Global Project Cost-Benefit Analysis. Final Report (2017). Available here: https://www.railbaltica.org/wp-content/uploads/2017/04/RB_CBA_FINAL_REPORT_0405.pdf;
- Rail Baltica: Preparation of the Operational plan of the Railway. Final Study Report (2018). Available here: https://www.railbaltica.org/wp-content/uploads/2019/05/RB_Operational_Plan_Final_Study_Report_final.pdf;
- JASPERS Appraisal guidance (Transport). The Use of Transport Models in Transport Planning and Project Appraisal (2014). Available here: [http://www.jaspersnetwork.org/plugins/servlet/documentRepository/searchDocument?resourceType=JASPERS%20Working%20Papers](http://www.jaspersnetwork.org/plugins/servlet/documentRepository/searchDocument?resourceType=JASPERS%20Working%20Papers;);
- JASPERS Guidance Note. Methodological support to the Preparation of National and Regional Transport Plans and the related Ex-Ante-Conditionality to the 2014-2020 Programming Period (2014). Available here: [http://www.jaspersnetwork.org/plugins/servlet/documentRepository/searchDocument?resourceType=JASPERS%20Working%20Papers](http://www.jaspersnetwork.org/plugins/servlet/documentRepository/searchDocument?resourceType=JASPERS%20Working%20Papers;);
- JASPERS Appraisal Guidance (Transport). Guidance on Appraising the Economic Impacts of Rail Freight Measures (2017). Available here: [http://www.jaspersnetwork.org/plugins/servlet/documentRepository/searchDocument?resourceType=JASPERS%20Working%20Papers](http://www.jaspersnetwork.org/plugins/servlet/documentRepository/searchDocument?resourceType=JASPERS%20Working%20Papers;);
- European Commission. Guide to Cost-Benefit Analysis of Investment Projects. Economic appraisal tool for Cohesion Policy 2014-2020 (2014). Available here: https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/cba_guide.pdf;
- Rail Baltica Project. Airport Integration Study (Passengers and Luggage Services). Feasibility study – Final Report (2019). Available here: <https://www.railbaltica.org/wp-content/uploads/2019/12/RB-Airport-integration-feasibility-study.pdf>;

⁵European Commission. Mobility and Transport. Statistical Pocketbook 2019. Available here: https://ec.europa.eu/transport/facts-fundings/statistics/pocketbook-2019_en.

- Public procurement legislation of the European Union, particularly, Latvian, Estonian and Lithuanian;
- Rail Baltica Global Project Procurement principles. Available here: <http://railbaltica.org/wp-content/uploads/2017/05/Contracting-Scheme-Rail-Baltica-2016.jpg>;
- Relevant studies, reports, position papers by the relevant European and international institutions (including the European Commission, European Parliament, European Rail Agency, Rail Freight Corridors, ITF/OECD, etc.).

2.5. Deliverables

The results to be delivered from the Contractor are the following:

No	Title of the Deliverable	Description of the Deliverable
1.	Inception Report (WP1)	a) Description of the model scope (WP1.1) b) Description of the software (WP1.2) c) Description of the do-nothing and Rail Baltica base scenarios (WP1.3) d) Description of the proposed data collection strategy (WP1.4) e) Description of the proposed execution plan (WP1.5)
2.	First Interim Report (WP2)	a) Detailed presentation of the data collection methods and results (WP2.1) b) Detailed description of the zoning system, transport network, and overall model input (WP2.2) c) Detailed description of the expected model output (WP2.3)
3.	Second Interim Report (WP3)	a) Model results for the do-nothing scenario (WP3.1) b) Model results for the Rail Baltica base scenario (WP3.2) c) Description of the alternative scenarios (WP3.3) d) DM software installation and training of RBR personnel (WP3.4)
4.	Third Interim Report WP4)	a) Model results for the alternative scenarios (WP4.1)
5.	Final Report (WP5)	a) Final report (WP 5.1) b) Final version of the DM and manual (WP 5.2) c) Participation in the meetings with stakeholders (WP 5.3)

The deliverables shall be submitted and approved according to following schedule:

Deliverables/Reports	No. of copies	Submission schedule	Approval from RBR
Inception Report	2 hard copies, 1 soft copy	CD ⁶ + no more than 4 weeks	2 weeks after receipt
First Interim Report	2 hard copies, 1 soft copy	CD + no more than 20 weeks	3 weeks after receipt
Second Interim Report	2 hard copies, 1 soft copy	CD + no more than 36 weeks	4 weeks after receipt
Third Interim Report	2 hard copies, 1 soft copy	CD + no more than 44 weeks	2 weeks after receipt
Final Report	3 hard copies, 1 soft copy	CD + no more than 48 weeks	4 weeks after receipt

- 2.6. Reports and documents will be officially delivered and accepted when RBR or its authorized representative will approve the receipt of the document in writing by signing the Acceptance-Delivery Deed.

⁶ CD - Commencement Date of the Contract.

- 2.7. RBR shall facilitate and provide the appropriate organizational frameworks towards the integration of content and cohesion between the Transport demand model study and other relevant Rail Baltica Global project studies and activities, both those already completed and those being carried out in parallel. The Contractor is expected to join and actively participate, either online or in person, in the relevant alignment meetings, including those with the broader project stakeholders, and workshops.
- 2.8. The table below provides an overview of the foreseeable expected participation to meetings and public events from the Contractor. It is expected that in the meetings will participate at least the Project manager and one expert from Contractor's proposed team. The actual type of participation, i.e. in person or online, may change case by case, also considering contingent travelling safety measures and restrictions.

Meeting	Type	Number
Kick off meeting	In person	1
Inception report	Online	1
First Interim Report	In person	2
Second Interim Report	In person	1
Third Interim Report	Online	2
Final Report	In person	1
Stakeholders	In person	3
Regular progress	Online	Monthly

- 2.9. Report, tables and figures, appendices, presentations and other deliverable material shall be formatted according to the Publicity guidelines and logos of the EU Connecting Europe Facility (<https://ec.europa.eu/inea/connecting-europe-facility/cef-energy/beneficiaries-info-point/publicity-guidelines-logos>), as well as RBR visual guidelines (<http://railbaltica.org/about-rail-baltica/visual-guidelines/>) and prepared by using the Rail Baltica report document template that will be provided by RBR to the Contractor.
- 2.10. All written materials, including all Deliverables, shall meet the highest standards of English and technical terminology proficiency; if requested by RBR, the Contractor shall engage professional proofreading services at its own expense.
- 2.11. The Rail Baltica demand model, including the database and the results, all the deliverables and the submitted supplementary materials (including in original (source-file) formats) shall become the intellectual property of RBR.
- 2.12. The Contractor shall ensure that the results of the Study are compliant with respective EU and national legislations.
- 2.13. After provision of the Services (up to one year after the submission of the Final Report) Contractor shall be available for public presentation of the results of the Study at events and for engagement with the mass media etc., if requested by RBR. There are up to 3 (three) meetings in person planned, but additionally Contractor's participation may be needed in the online meetings. It is expected that in the meetings participate at least one expert from Contractor's team. The choice of the specific expert is agreed by the RBR and the Contractor case by case.

3. DESCRIPTION OF SERVICES

The Services are organized in accordance with the following Work Packages (WP):

WP1: Inception report

The Inception Report shall include:

- A detailed description of the model scope, structure and methodology; a detailed description of the geographical reference area for passenger and freight traffic; an outline of the zoning system and network description; a detailed description of the expected model output. The descriptions shall duly take into consideration the requirements in the Section 2 of the Technical specification, especially those described in Sub-Sections 2.1.1, 2.1.3, 2.1.4, and 2.1.5 (WP1.1);
- A detailed description of the proposed software to be used to implement the DM and its merits. The description will include among others an overview of the modelling methodologies and solution

algorithms available in the software, the software geographical mapping tools and interface, the list of the model output indicators and their format, the availability and approaches for the usage training. The descriptions shall duly take into consideration the requirements in the Section 2 of the Technical specification, especially those described in Sub-Section 2.2 of the Technical specification (WP1.2);

- A detailed description of the do-nothing and RB base scenarios. The do-nothing scenario shall analyze the offer of transport services across the different modes (including existing railways connections, road and, where relevant, air and maritime transport) currently available in the model reference area. The analysis shall include the characteristics of the transport services as well as the description of the current and foreseeable state of the transport infrastructure. The RB base scenario description shall present the most relevant changes in the transport infrastructure network following RB construction and operation as well as describe the most likely foreseeable effects on the services provided. Tenderer shall duly take into consideration the requirements in the Section 2 of the Technical specification, especially those described in Sub-Section 2.1.2 of the Technical specification (WP1.3);
- A detailed description of the proposed data collection strategy including a critical assessment of the availability and quality of the data. Contractor shall duly take into consideration the requirements in the Section 2 of the Technical specification, especially those described in Sub-Section 2.3 of the Technical specification (WP1.4);
- A description of the proposed execution plan. The description shall duly take into consideration the requirements in the Section 2 of the Technical specification, especially those described in Sub-Sections 2.5 and 2.7 of the Technical specification (WP1.5).

WP2: First Interim Report

The First Interim Report shall describe the progresses of the Services with respect to the collection of the data required to run the model and the following set-up of the mapping elements of the model itself. Furthermore, based on the improved understanding deriving from this updated information, the First Interim Report shall provide a detailed list of the output expected from the modelling exercise. The First Interim Report shall include:

- Detailed presentation of the data collection methods and results. The methodology implemented for the collection of the data, based on what declared in WP1.4, shall be described in detail. The data resulting from the collection process shall be presented, along with the methods applied in order to deal with missing information, interrupted time series, etc. Finally, the validation of the data collected shall be presented and discussed (WP2.1);
- Detailed description of the zoning system, transport network and overall model input. Also based on the information gathered for WP2.1 with respect the quality and the granularity of the available data, a detailed description of:
 1. the zoning system to be applied to the modelled area;
 2. the transport network selected to implement the transport model;
 3. a summary of the traffic and socio-economic data that will be used to calibrate the model; these will be provided also with the support of visual tools, like mapping, infographics, etc.

Such description shall duly take into consideration the requirements in the Section 2 of the Technical specification, especially those described in Sub-Section 2.1.1 of the Technical specification (WP2.2);

- Detailed description of model output based on the complete understanding of the resources available for the modelling exercise deriving from the results of the WP2.1 and WP2.2. The description shall include not only the list of the variables expected from the model but also the data format. The description shall duly take into consideration the requirements in the Section 2 of the Technical specification, especially those described in Sub-Section 2.1.5 of the Technical specification (WP2.3).

At this stage shall be discussed the organization of training of RBR designated staff for the usage of the model.

WP3: Second Interim Report

The Second Interim Report shall present the core output of the Services, by describing in detail the results from the calibration and validation of the do-nothing scenario and the traffic forecasts and analysis of the RB base scenario. Furthermore, following an alignment with RBR, the Second Interim Report shall describe the additional scenarios to be run using the DM. The Second Interim Report shall include:

- Model results for the do-nothing scenario, including detailed description of the calibration and validation methods and results. The description shall duly take into consideration the requirements

in the Section 2 of the Technical specification, especially those described in Sub-Section 2.1.2 of the Technical specification (WP3.1)

- Model results for the RB base scenario. The description shall duly take into consideration the requirements in the Section 2 of the Technical specification, especially those described in Sub-Section 2.1.2 of the Technical specification (WP3.2);
- Description of the alternative scenarios that will be run with the model to test alternative scenarios to the do-nothing and RB base scenarios. The alternative scenarios will be aligned with RBR. The description shall duly take into consideration the alignment reached with RBR, as well as the requirements in the Section 2 of the Technical specification, especially those described in subsection 2.1.2 of the Technical specification (WP3.3).
- 2 (two) DM software licenses installation and RBR personnel training (WP3.4).

WP4: Third Interim Report

The Third Interim Report shall present the results from the alternative scenarios as described in the Second Interim report. The Third Interim Report shall include the model results for the alternative scenarios as described in WP3.3. The description shall duly take into consideration the alignment reached with RBR for the finalization of WP3.3, as well as the requirements in the Section 2 of the Technical specification, especially those described in Sub-Section 2.1.2 of the Technical specification (WP4.2).

WP5: Final Report

The Final Report shall present the results of the Services. The Final Report shall contain at least (WP 5.1):

- Executive Summary;
- Introduction;
- Background information;
- Model scope and methodology;
- Data collection strategy and results;
- Transport network description;
- Demand model structure, calibration and validation;
- Traffic forecasts (do-nothing and RB base scenario);
- Alternative scenario analysis;
- Conclusions.

The DM, including the input database and the entire range of model output from all modelled scenarios and geo-referenced data, along with the model manual, shall be delivered to RBR (WP 5.2).

If requested by RBR, the Contractor shall participate in high-level governmental briefings in the three Baltic capitals (estimated number of trips (in person meetings): 3 (three) in total) to present the results of the Study.

Annex C: Schedule of the Services

1. Services Start Date: the Commencement Date of the Agreement.
2. The Deliverables shall be submitted and approved according to following schedule:

Deliverables/Reports	No. of copies	Services Milestone	Approval from RBR
Inception Report	2 hard copies, 1 soft copy	CD ⁷ + no more than 4 weeks	2 weeks after receipt
First Interim Report	2 hard copies, 1 soft copy	CD + no more than 20 weeks	3 weeks after receipt
Second Interim Report	2 hard copies, 1 soft copy	CD + no more than 36 weeks	4 weeks after receipt
Third Interim Report	2 hard copies, 1 soft copy	CD + no more than 44 weeks	2 weeks after receipt
Final Report	3 hard copies, 1 soft copy	CD + no more than 48 weeks	4 weeks after receipt

⁷ CD - Commencement Date of the Agreement.

Annex D: Fee and Payment Schedule

1. Fee: Fee in the amount of 644 000,00 EUR (six hundred forty-four thousand euros and zero cents) without VAT.
2. Schedule of payment of Fee: after delivery of the following Deliverables and acceptance by signing of the Provisional Acceptance Note or Final Acceptance Note the Principal shall pay following amount of the Fee:

Deliverable	Payment amount (EUR without VAT)
Inception Report	[CONFIDENTIAL]
First Interim Report	[CONFIDENTIAL]
Second Interim Report	
Third Interim Report	
Final Report	[CONFIDENTIAL]

3. Payments will be made after the delivery and acceptance of the following Deliverables:
 - Inception Report;
 - Third Interim Report;
 - Final Report.

Annex E: List of Approved Sub-Contractors and Staff

List of approved Sub-Contractors

[CONFIDENTIAL]

List of key experts

[CONFIDENTIAL]

Annex F: Form of Provisional Completion Note

No [INSERT NUMBER]

Date: [INSERT DATE IN THE FORM OF 1 January 2018]

Location: [INSERT LOCATION]

For:

RB Rail AS

registration number 40103845025 legal address K. Valdemāra iela 8-7, Riga LV-1010, Latvia
(hereinafter, the "Principal")

This provisional completion note (the "Provisional Completion Note") is issued to the Principal by [.] [INSERT NAME, REGISTRATION NUMBER, INSERT LEGAL ADDRESS] (the "Contractor"), represented by [INSERT NAME OF REPRESENTATIVE ON THE BASIS OF INSERT BASIS OF REPRESENTATION].

In this Provisional Completion 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 OF SERVICES AGREEMENT NO INSERT AGREEMENT NUMBER] (the "Agreement") and *Annex A: Definitions and common terms* of the Agreement.

Whereas:

- (A) the Principal and the Contractor have entered into the Agreement;
- (B) Clause 7.4 of the Agreement stipulates that upon meeting a Services Milestone or producing a Deliverable constituting all or an identifiable part of the *Annex B: Technical Specification*, the Contractor shall issue to the Principal a Provisional Completion Note substantially in the form of the *Annex F: Form of Provisional Completion Note* of the Agreement;
- (C) a Services Milestone has been met or a Deliverable has been completed.

The following Services Milestone(s) has/have been met on [INSERT DATE IN THE FORM OF 1 JANUARY 2018], as specified in accordance with *Annex C: Schedule of the Services* of the Agreement:

[DESCRIBE IN REASONABLE DETAIL THE SERVICES MILESTONE ATTAINED. INSERT N/A, IF NO SERVICES MILESTONE HAS BEEN ATTAINED]

The following Deliverable(s) has/have been completed on [INSERT DATE IN THE FORM OF 1 JANUARY 2020] and are attached to this Provisional Completion Note:

[INSERT NAME OF THE DELIVERABLE. INSERT N/A, IF NO DELIVERABLES HAVE BEEN COMPLETED]

As stipulated in Clause 7.5 of the Agreement, in the event the Principal objects to the issue of the Provisional Completion Note, the Principal shall give a written notice to the Contractor setting out in reasonable detail Defects or reasons for the objection (the "Objection Notice") within two weeks (10 working days) following receipt of the Provisional Completion Note.

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

Signature:

[INSERT NAME, SURNAME
INSERT POSITION
INSERT COMPANY NAME]

Annex G: Form of Provisional Acceptance Note

No [INSERT NUMBER]

Date: [INSERT DATE IN THE FORM OF 1 January 2018]

Location: [INSERT LOCATION]

For: [•] (the "Contractor")

This Provisional Acceptance Note (the "Provisional Acceptance Note") is issued to the Contractor by RB Rail AS, registration number 40103845025, legal address K. Valdemāra iela 8-7, Riga, LV-1010 (the "Principal"), represented by [INSERT NAME OF REPRESENTATIVE ON THE BASIS OF INSERT BASIS OF REPRESENTATION].

In this Provisional Acceptance Note, unless the context requires otherwise, all Definitions shall have the meaning ascribed to such terms in accordance with the [INSERT AGREEMENT DATE] Agreement on [INSERT AGREEMENT NAME] No [INSERT AGREEMENT NUMBER] (CEF Contract No INEA/CEF/TRAN/M2019/2098304, Activity No 3: Pre-construction preparation and infrastructure development (RB Rail), Sub-activity 2: Global Project development and optimization, Work stream 3) (the "Agreement") and *Annex A: Definitions and common terms* of the Agreement.

Whereas:

- (A) the Principal and the Contractor have entered into the Agreement;
- (B) the following Services Milestone(s) has been met and the following Deliverable(s) 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;
- (D) as stipulated by Clause 7.5 of the Agreement, in the event no reasons for objection to the Provisional Completion Note exist, the Principal shall issue, within reasonable time following receipt of the Provisional Completion Note, a provisional acceptance note in the form of *Annex G: Form of Provisional Acceptance Note* (the "Provisional Acceptance Note").

The Principal is satisfied with the result of any and all achieved Services Milestones and/or Deliverables completed and submitted and, in accordance with Clause 7.5 of the Agreement, the Principal accepts the part of the Services performed as of the date of this Provisional Acceptance Note.

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

Signatures:

[INSERT NAME, SURNAME]

INSERT POSITION

INSERT COMPANY NAME]

Annex H: Form of Final Acceptance Note

No [INSERT NUMBER]

Date: [INSERT DATE IN THE FORM OF 1 January 2018]

Location: [INSERT LOCATION]

For: [•] (the “Contractor”)

This Final Acceptance Note (the “Final Acceptance Note”) is issued to the Contractor by RB Rail AS, registration number 40103845025, legal address K. Valdemāra iela 8-7, Riga, LV-1010 (the “Principal”), represented by [INSERT NAME OF REPRESENTATIVE ON THE BASIS OF INSERT BASIS OF REPRESENTATION].

In this Final Acceptance Note, unless the context requires otherwise, all Definitions shall have the meaning ascribed to such terms in accordance with the Agreement on „Architectural, landscaping and visual identity guidelines for Rail Baltica” No [INSERT AGREEMENT NUMBER] dated [INSERT DATE] (CEF Contract No INEA/CEF/TRAN/M2019/2098304, Activity No 3: Pre-construction preparation and infrastructure development (RB Rail), Sub-activity 2: Global Project development and optimization, Work stream 3) (the “Agreement”) and *Annex A: Definitions and common terms* of the Agreement.

Whereas:

- (A) the Principal and the Contractor have entered into the Agreement;
- (B) one or more Services Milestones have been met and/or Deliverables have been completed;
- (C) any and all Defects have been averted or no Objection Notices have been issued;
- (D) as stipulated by Clause 7.7 of the Agreement, final acceptance shall be evidenced by means of the Principal issuing and both Parties attaching their signature to the Final Acceptance Note substantially in the form of *Annex H: Form of Final Acceptance Note* (the “Final Acceptance Note”);

The Principal is satisfied with the result of the Services and/or all Deliverables completed and submitted, and the Principal accepts the Services in its entirety.

The Contractor and the Principal confirm at the moment of signing this Final Acceptance Note that they do not have any material or other claims in connection with the Agreement (incl. but not limited to additional claims for Fee, contracting penalties, travel expenses, claims related to intellectual property, etc.).

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

Signatures:

[INSERT NAME, SURNAME

INSERT POSITION]

RB Rail AS

Principal

Annex I: Declaration of the Contractor

I, the undersigned duly authorised representative, on behalf of TRT TRASPORTI E TERRITORIO S.R.L. undertake:

1. 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;
2. 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;
3. 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;
4. 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;
5. 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 Contract, 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 Contracts 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;
6. 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;
7. To support and respect the protection of internationally proclaimed human rights and not to become complicit in human rights abuses;
8. 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;
9. 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;
10. 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;
11. To monitor, control and treat as required prior to discharge or disposal wastewater and solid waste generated from operations, industrial processes and sanitation facilities;
12. 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;

13. 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;
14. 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;
15. To disclose (a) any situation that may appear as a conflict of interest, such as but not limited to: where a Contractor or an undertaking related to the Contractor has advised a Beneficiary or Implementing Body or has otherwise been involved in the preparation of the procurement procedure; and (b) if any Beneficiaries' or Implementing Bodies' official, professional under contract with Beneficiary or Implementing Body or sub-contractor may have a direct or indirect interest of any kind in the Contractor's business or any kind of economic ties with the Contractor;
16. Not to offer any benefit such as free goods or services, employment or sales opportunity to a Beneficiary's and Implementing Body's staff member in order to facilitate the Contractors' business with Beneficiaries or Implementing Bodies;
17. 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 Beneficiaries' and Implementing Bodies' staff in service and former Beneficiaries' and Implementing Bodies' staff members who participated in the procurement process and to whom a legal restriction to receive material benefits from or be employed by a Contractor which participated in a procurement procedure or restrictions with similar effect applies;
18. To promote the adoption of the principles set forth in this Contractor's Declaration by my potential business partners and promote the implementation of the principles set forth in this document towards own Contractors;
19. Not procure goods, works and services from other Contractors:
 - a. Who, or its member of the Management Board or the Supervisory Board or procurator of such Contractor, or a person having the right to represent such Contractor 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;
 - b. 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;
 - c. 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 Contract aimed at restricting the opportunity of a purchaser to determine the resale price, or horizontal cartel Contract, 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;

- d. 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 Contractor to participate in the tender), economic activity of such Contractor has been suspended or discontinued, proceedings regarding bankruptcy of such Contractor have been initiated or such Contractor will be liquidated;
- e. who has tax debts in the country where the procurement is organised or a country where such Contractor 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.

Silvia Margherita Anna Maffii
Managing Director

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

Annex J: Contractor's Proposal

It is hereby certified that this *Annex J: Contractor's Proposal* includes a reference to Contractor's proposal dated 25 September 2020 with a No RBR 2020/13 (dates and numbers of the application form. Contractor's proposal submitted on Electronic Procurement System on 30 September 2020) with all of the attachments, inclusive parts and annexes which were submitted to the Principal within the Procurement procedure, and which is available and binding to the Parties in accordance with the applicable Laws.