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*(Name of the insurance company)*

To: Limited liability company "EIROPAS DZELZCEĻA LĪNIJAS", registration No.:  
40103836785,

Riga, 3 Gogoļa Street, LV-1050, Latvia (hereinafter – Insured Party)

### **PERFORMANCE SECURITY**

\_\_\_\_\_ 20\_\_ No. \_\_\_\_\_

*Latvia, Riga*

Date of signing and Consultant's contract number: \_\_\_\_\_ (hereinafter –Contract).

This performance security is an integral part of the insurance policy No. \_\_\_\_\_.

We have been informed that \_\_\_\_\_ [*Name of the Consultant or partnership thereof*] (hereinafter – Policyholder) has concluded the Contract, which provides that the Policyholder is required to submit to the Insured Party performance security and insurance policy.

With this performance security and insurance policy the Insurance company [*Name, address of the insurance company*], (hereinafter – Insurer), irrevocably, regardless of any disputes in connection with the Contract and without the right of withdrawal, as well as with the waiver of any reservations, the rights to object to (including the waiver to use the Policyholder's, as the principal debtor's, any reservations, objections), at first written demand by the Insured Party undertakes to pay to the Insured Party [*amount in digits*] (*amount in words*) insurance remuneration. The Insurer undertakes to pay the insurance remuneration to the Insured Party in compliance with the provisions of this performance security. The provisions of this performance security must be respected by the Insurer and other entities operating on behalf of the Insurer.

With this performance security and insurance policy the Insurer irrevocably, regardless of any disputes in connection with the Contract and without the right of withdrawal confirms that works which in accordance with the Contract have not been started or have not been completed, that had to be completed, and any other contractual obligations the Consultant (Policyholder) had to perform in accordance with the Contract, shall be considered as insurance object and insurance event within the framework of this Security.

Based on the fact that the Policyholder has entered into the Contract with the Insured Party, the Policyholder undertakes to perform the work tasks and obligations referred to in the Contract. The insurance remuneration of the performance security shall be paid based on the following conditions:

- 1) The Insurer shall be obliged to pay the insurance remuneration in full to the Insured Party for any fully or partially unexecuted, improperly performed works or commitments that had to be made under the Contract but which were not fully or partially executed or were improperly performed.
- 2) If the Policyholder due to the gross negligence has not performed or has improperly performed the obligations, the works that had to be performed under the Contract, it shall be deemed to be an insurance event in the context of this performance security and insurance policy, and in this case the Insurer shall not be entitled to refuse payment of the requested insurance remuneration to the Insurer. If the Insured Party due to the gross negligence has not performed or has improperly performed the obligations, the works that had to be performed under the Contract, it shall be deemed to be an insurance event in the context of this performance security and insurance policy, and in this case the Insurer shall not be entitled to refuse payment of the requested insurance remuneration to the Insurer.
- 3) By issuing the performance security and insurance policy the Insurer confirms that the Insurer has obtained all necessary information from the Policyholder and the Insured Party in order to fully assess all risks and to fulfil the contractual obligations assumed by this performance security, as well as confirms that the Insurer and the Policyholder have agreed in this insurance contract that the Policyholder has an obligation to pay to the Insurer without any objections the amount of money to the extent the Insurer has paid at the request of the Insured Party.
- 4) The Insurer confirms that it has no claims, objections against the Policyholder and the Insured Party regarding the amount and quality of the information received prior to the conclusion of the insurance contract, as well as that the Insurer hereby irrevocably and without reservation waives the right to dispute any claim of the Insurer to perform the payment of insurance remuneration (indisputably of the request to make payment of the insurance remuneration).

The Insurer irrevocably, regardless of any disputes in connection with the Contract and without the right of withdrawal, as well as with the waiver of any reservations, the rights to object to (including the waiver to use the Policyholder's, as the principal debtor's, any reservations, objections), at first written demand by the Insured Party within 30 (thirty) days after the receipt of the remuneration request shall pay the insurance remuneration to the Insured Party in the amount requested by him that shall not exceed [*amount in digits*] (*amount in words*).

Based on this performance security, the Insured Party shall not be obliged to submit to the Insurer evidence of full or partial failure to fulfill obligations under the Contract and / or the fact and / or the extent of losses, however the Insured Party's remuneration request shall indicate what obligations the Policyholder has failed to fully or partially fulfill.

The insurance amount covered by the insurance contract and the performance security shall decrease in accordance with the insurance remunerations paid according to the insurance contract and the performance security.

The insurance contract and the performance security shall not impose an obligation on the Insurer to pay insurance remunerations only in case the obligations under the Contract are not fully or partially fulfilled and losses have incurred, if it has been in direct causal connection with circumstances which, on the basis of the Contract and the regulatory enactments in force in the Republic of Latvia, are recognised as Force Majeure.

Based on this insurance contract and performance security the Insurer undertakes to pay the insurance remuneration only to the Insured Party, in other cases the Insured Party is not entitled to transfer the insurance contract and the performance security to the third parties.

The Insurer's obligations against the Insured Party and the Policyholder under the insurance contract and the performance security shall enter into force at the moment the Policyholder has paid to the Insurer the insurance premium and other payments, if such are required, and shall be valid until \_\_\_\_\_ (date). If the Insured Party, on the basis of any of the clauses of the Contract, in writing shall request the extension of this insurance contract and the performance security, the Policyholder shall be obliged to inform the Insurer thereof, who may extend the validity term of the insurance contract and the performance security till the date specified in the request. The Insurer and the Policyholder may terminate or make amendments to the insurance contract and the performance security only with the prior written consent of the Insured Party.

The insurance contract and the performance security are concluded in accordance with the regulatory enactments in force in the Republic of Latvia. Disagreements and disputes, if these cannot be settled by negotiations between the Insurer, the Insured Party and the Policyholder, shall be settled according to the regulatory enactments in force in the Republic of Latvia by a court of the Republic of Latvia.

This insurance contract and the performance security are issued in accordance with the Insurance Rules No. \_\_\_ of \_\_\_ 20 \_\_\_ (hereinafter - the Rules). In the event of discrepancies between this performance security and the Rules, the Rules shall be applied only to the extent this performance security does not provide otherwise - in all cases the terms and conditions of this performance security shall legally prevail.

Insurer's authorized representative: \_\_\_\_\_

*(signature)*

*(name and surname)*