

Annex 10
To the Special Provisions of the Contract as of _____, 20____
No. EDZL-_____

(Name of the insurance undertaking)

To: limited liability company SIA "EIROPAS DZELZCEĻA LĪNIJAS", registration number:
40103836785,

Riga, Gogoļa Street 3, LV-1050, Latvia (hereinafter referred to as 'the Insured')

RETENTION MONEY GUARANTEE

_____, 20____ No. _____

Latvia, Riga

Date of signature and the Consultant's contract number: _____ (hereinafter referred to as 'the Contract').

This Retention Money Guarantee is an integral part of the insurance policy No. _____.

We have become aware that _____ [*name of the Consultant or the corresponding association*] (hereinafter referred to as 'the Policy Holder') has entered into the Contract stipulating that the Policy Holder is obliged to submit the Retention Money Guarantee and the insurance policy to the Insurer.

By this issued Retention Money Guarantee and the Insurance Policy, the insurance undertaking [*name and address of the insurance undertaking*], (hereinafter referred to as 'the Insurer'), irrevocably and regardless of any dispute related to The Contract, without the right of cancellation, waiving any reservations and defence rights (inter alia refusing to use any reservations, defences of the Policy Holder, as the major debtor) assumes the obligation to pay the Insured [*amount in figures*] (*amount in words*) insurance indemnity upon the first written application of the Insured. The Insurer assumes the obligation to pay the Insured the insurance indemnity on the basis of the provisions specified in the Retention Money Guarantee. The provisions set out in this Retention Money Guarantee must be observed by the Insurer and any other subjects operating on behalf of the Insurer.

By this issued Retention Money Guarantee and the Insurance Policy, the Insurer, irrevocably and regardless of any dispute related to the Contract, without the right of cancellation, confirms that, for the purpose of the Guarantee, the object of insurance and insured event shall be deemed, under the Contract, any unfinished work to be completed and any other contractual obligations which the Consultant (the Policy Holder) had to fulfil under the Contract.

Based on the fact that the Policy Holder has entered into the Contract with the Insured, the Policy Holder assumes the obligation to perform duties and tasks stipulated in the Contract. The Retention Money Guarantee, the insurance indemnity must be paid under the following conditions:

- 1) The Insurer is obliged to pay the full amount of the insurance indemnity to the Insured for any fully or partially unperformed works, improperly performed works or unfulfilled obligations which were to be executed under the Contract, but are fully or partially unperformed or performed improperly.
- 2) If, as a result of gross negligence, the Policy Holder has not performed or has not comprehensively performed the obligations, works which were to be executed under the Contract, this shall be deemed as an insured event in the context of the Retention Money Guarantee and the Insurance Policy; in this case the Insurer has no right to refuse to pay the insurance indemnity requested by the Insured. If, as a result of gross negligence, the Insured has not performed or has not comprehensively performed the obligations, works which were to be executed under the Contract, this shall be deemed as an insured event in the context of the Retention Money Guarantee and the Insurance Policy; in this case the Insurer has no right to refuse to pay the insurance indemnity requested by the Insured.
- 3) By issuing the Retention Money Guarantee and the Insurance Policy, the Insurer confirms that he has received from the Policy Holder and the Insured all the necessary information to fully assess all the risks and to fulfil the contractual obligations and the obligations undertaken under this Retention Money Guarantee, as well as that the Insurer and the Policy Holder, by the Insurance Contract, have agreed that the Policy Holder is obliged, without objections, to pay the Insurer the amount of money which the Insurer has paid upon the request of the Insured.
- 4) The Insurer confirms that he has no claims and objections against the Policy Holder and the Insured in respect to the quality and quantity of the information received before entering into the Insurance Contract, as well as that the Insurer hereby, irrevocably and without reservations, waives his right to challenge any insurance indemnity request made by the Insured (the conclusive force of the insurance indemnity request).

The Insurer, irrevocably, regardless of any dispute related to the Contract and without the right of cancellation, as well as waiving any reservations and defence rights (inter alia refusing to use any reservations and defences of the Policy Holder, as the major debtor), shall pay the insurance indemnity to the Insured in the requested amount of no more than [*amount in figures*] (*amount in words*) upon the first request of the Insured within thirty (30) days after receiving the insurance indemnity request.

On the basis of the Retention Money Guarantee, the Insured shall not be obliged to provide the Insurer with evidence of total or partial non-fulfilment of the obligations under the Contract and/or the fact of loss occurrence and/or its amount; however, the indemnity request must specify the obligations totally or partially unfulfilled by the Policy Holder.

The insured sum specified in the Insurance Contract and the Retention Money Guarantee shall be reduced in line with the insurance indemnities paid pursuant to the Insurance Contract and the Retention Money.

The Insurance Contract and the Retention Money Guarantee shall impose no obligation on the Insurer to pay the insurance indemnity only if total or partial non-fulfilment of the obligations under the Contract and occurrence of losses were in direct causal relationship with the circumstances which, on the basis of the Contract and the legislation of the Republic of Latvia, are recognised as force majeure.

On the basis of the Insurance Contract and the Retention Money Guarantee, the Insurer assumes the obligation to pay the insurance indemnity only to the Insured, otherwise the Insured has no right to pass on the obligations under the Insurance Contract and the Retention Money Guarantee to third parties.

The Insurer's obligations to the Insured and the Policy Holder, in accordance with the Insurance Contract and the Retention Money Guarantee, shall enter into force from the moment at which the Policy Holder pays the insurance premium and makes other payments, if any, and shall be valid until _____ (date). If the Insured, on the basis of one of the Contract clauses, in written form asks to extend the Insurance Contract and the Retention Money Guarantee, the Policy Holder is obliged to inform of it the Insurer who may extend the duration of the Insurance Contract and the Retention Money Guarantee to the period specified in the request. The Insurer and the Policy Holder may terminate or amend the Insurance Contract and the Retention Money Guarantee only upon prior written consent of the Insured.

The Insurance Contract and the Retention Money Guarantee are concluded in accordance with applicable laws and regulations in force in the Republic of Latvia. Disputes and disagreements, which cannot be negotiated between the Insurer, the Insured and the Policy Holder, are to be settled by a court of general jurisdiction of the Republic of Latvia on the basis of applicable laws and regulations in force in the Republic of Latvia.

The Insurance Contract and the Retention Money Guarantee are issued in compliance with the Insurance Provisions No. ___ as of _____, 20__ (hereinafter referred to as 'the Provisions'). In the event of any discrepancy between this Retention Money Guarantee and the Provisions, the Provisions shall apply as far as not otherwise provided in the Retention Money Guarantee; in all cases the terms and conditions contained in this Retention Money Guarantee legally prevail.

The authorised representative

of the Insured:

(signature)

(first name and surname)