

Conditions of CONTRACT

Conditions of Contract pursuant to FIDIC “Supply and design of equipment – conditions of contracts on construction works”, First edition, dated 1999 (“General Conditions for Plant and Design-Build” First edition 1999), published by the International Federation of Consulting Engineers” (*Federation internationale des Ingenieurs-Conseils*) (“Yellow book”, translation into Latvian, dated 2005), incl. the following “Particular Contract Conditions” containing amendments and addenda to General Contract Conditions.

PARTICULAR CONTRACT CONDITIONS

Particular Contract Conditions amend (incl. supplement, replace) the General Contract Conditions as follows:

<i>A reference to clauses of the General Contract Conditions</i>	<i>Text</i>
1. General Conditions	
1.1.1 Contract	Reword Sub-Clause 1.1.1 as follows: “A Contract” means Contract Agreement, Particular Contract Conditions (incl. any annexes thereto), General Contract Conditions, as well as any annexes to Contract Agreement, which include documents of the Procurement Regulations (incl., any annexes, explanations and amendments thereof, if any), the Employer’s requirements along with annexes (Technical Specifications), Schedules, Tender Letter, the Contractor’s tender and other documents (if any) that are listed in the Contract Agreement and form a part of the entirety of the Contract.
1.1.1.3	Delete Sub-Clause 1.1.1.3.
1.1.1.5	Reword Sub-Clause 1.1.1.5 as follows: “The Employer’s requirements” mean the totality of documents included in the Annex to the Procurement Regulations and in the Contract (Annex to the Contract Agreement) entitled “Technical specifications”, as well as all annexes, addenda and amendments of such documentation. This document specifies the objective, scope of Works and/or designing requirements and/or other technical criteria for Works.
1.1.1.6	Reword Sub-Clause 1.1.1.6 as follows: “Schedules” mean documents included/to be included in the Contract, entitled “Schedules” and “Programme” (in the meaning of [Programme] in Clause 8.3.), which are drafted and submitted by the Contractor in compliance with procedures established in the Procurement and/or Contract. These documents can include data, lists, payment schedules and/or price tables.
1.1.1.8	Reword Sub-Clause 1.1.1.8 as follows:

	<p>“Tender” means the tender submitted by the Contractor within the Procurement for the performance of Works and all other documents that the Contractor submits along with the Tender letter.</p>
1.1.1.9	<p>Add the following to the Sub-Clause 1.1.1.9: In the empty columns, the Contractor must indicate information relevant to the tender, excluding those items, in which the Employer’s given values must be included, as per Contract.</p>
1.1.1.11	<p>Add a Sub-Clause 1.1.1.11 worded as follows: “Procurement” means, pursuant to the applicable law, a procurement procedure organised by the Employer “Designing of a construction project and construction works of Rail Baltica Riga railroad bridge, embankment and Riga Central Passenger Station complex construction” (procurement identification No.: EDZL 2017/2 CEF), on the grounds of the results whereof a Contract is concluded on the performance of Works.</p>
1.1.1.12	<p>Add a Sub-Clause 1.1.1.12 worded as follows: “The Global Project” or “the Rail Baltica global project” means the European railroad transportation project, the purpose of which is to integrate the Baltic States into the European railroad network.</p>
1.1.1.13	<p>Add a Sub-Clause 1.1.1.13 worded as follows: “The Project” means the part of the Rail Baltica global project, within which the performance of the Contract and of the Works is envisaged.</p>
1.1.2 Parties and persons	
1.1.2.1	<p>Reword Sub-Clause 1.1.2.1 as follows: “A party”, depending on the context, means the Employer, the Engineer, or the Contractor.</p>
1.1.2.2	<p>Reword Sub-Clause 1.1.2.2 as follows: “The Employer” means the person and all successors of rights and liabilities of that person named as the Employer in the Procurement and in the Contract Agreement.</p>
1.1.2.3	<p>Reword Sub-Clause 1.1.2.3 as follows: “The Contractor” means the person/-s selected as a result of the Procurement, to whom the contract is awarded for the performance of Works and who in the Contract Agreement is referred to as the contractor, as well as all the successors of rights and liabilities of such person/-s.</p>
1.1.2.4	<p>Reword Sub-Clause 1.1.2.4 as follows: “The Engineer” is the person selected by the Employer pursuant to the Applicable Law for the performance of Engineer’s tasks within the Contract or another person, who is designated by the Employer from time to time. Unless the Employer establishes otherwise, the Engineer also performs on-site supervision, inter alia, pursuant to the Applicable Law. Thus, in addition to rights and obligations arising from the Contract, the Engineer in addition has those rights and obligations that are prescribed upon the person implementing on-site supervision of Works/ on-site supervisor by the Applicable Law. If, due to any reason, the Contract is terminated or the Works or a part thereof are suspended for a short or long period, pursuant to the Contract, the Engineer</p>

	shall not be entitled to request, receive any compensation, remuneration and/or extension of deadlines and/or raise any claims against the Employer, incl. for loss, income foregone, and compensation for other costs (such entitlement may be prescribed in another agreement concluded in writing between the Employer and the Engineer, if any, pursuant to the terms and conditions established therein).
1.1.2.6	Reword Sub-Clause 1.1.2.6 as follows: “Employer’s Personnel” means the Employer’s representatives, employees, workers and other persons employed by the Employer, as well as all other persons named by the Employer, incl. the employees, workers, personnel of owners and managers of railroad infrastructure existing, constructed at the site of Work performance, and other people employed by them. The Engineer, their representatives and employees are not the Employer’s personnel.
1.1.2.8	Reword Sub-Clause 1.1.2.8 as follows: “The Subcontractor” means any person designated as the subcontractor for the performance of a part of Works, irrespective of whether or not they have contractual relationships with the Contractor or another subcontractor and the successors of rights and liabilities of each person assuming this post.
1.1.2.9	Reword Sub-Clause 1.1.2.9 as follows: “The Employer’s representative” means an Employer’s designated person/-s — a project manager/-s, who, within the framework of authorisation granted by the Employer, represents the Employer within the framework of implementing the Project and fulfilling the Contract.
1.1.2.11	Add a Sub-Clause 1.1.2.11 worded as follows: AS RB Rail or RB Rail – Rail Baltica global project coordinator.
1.1.2.12	Add a Sub-Clause 1.1.2.12 worded as follows: “NoBo”, “Notified Body” means the institution, which assesses the compliance of Works (incl. individual parts thereof) with technical specification of interoperability with subsystems of the European Union railroad system.
1.1.2.13	Add a Sub-Clause 1.1.2.13 worded as follows: “Other Project contractors” are legal entities or natural persons, who, based on a separate contractual agreement with RB Rail or the Employer, performs other or related works or renders services necessary for the performance of the Project.
1.1.3 Date, probation periods and fulfilment deadlines	
1.1.3.1	Reword Sub-Clause 1.1.3.1 as follows: “The base date” is the date of entering into the Contract Agreement.
1.1.3.3	Reword Sub-Clause 1.1.3.3 as follows: “Time for completion” means the time for completing the Works or their Sections (depending on situation) as per Appendix to Tender, pursuant to Sub-Clause 8.2 [<i>Time for completion</i>] (including any extension pursuant to Sub-Clause 8.4 [<i>Extension of the time for completion</i>]), calculated from the Work

	commencement date. The total time for completion of Works indicated in the Employer’s Appendix to Tender (time for completion of Works), as well as completion time of each Section (Section completion time or interim time for completion of Works) may, under no circumstances, exceed the total time for completion of Works (time for completion of Works), as well as the completion time of each Section (Section completion time or interim time for completion of Works) specified in the Employer’s requirements.
1.1.3.4	Reword Sub-Clause 1.1.3.4 as follows: “Tests on completion” means tests stipulated in the Contract or requested by the Employer, the Engineer or tests specified as Variations, performed pursuant to Clause 9 [Tests on completion], before the Employer accepts the Works or a Section thereof (depending on the situation).
1.1.3.6	<i>Delete Sub-Clause 1.1.3.6.</i>
1.1.3.7	Reword Sub-Clause 1.1.3.7 as follows: “Defects Notification Period” means the period specified for notifying defects uncovered in the Works or in a Section thereof (depending on the situation) pursuant to Sub-Clause 11.1 [Completion of outstanding work and remedying of defects], the minimum periods whereof are stated in the Employer’s requirements (including any extension as per Sub-Clause 11.3 [Extension of Defects Notification Period]) and calculated, based on the date, on which the Works or a Section thereof are completed as per Sub-Clause 10.1 [Taking-Over of Works and Sections].
1.1.3.7.1	Add a Sub-Clause 1.1.3.7.1 worded as follows: “Extended Defects Notification Period” is the longer Defects Notification Period specified in the Employer’s requirements for certain parts, elements of Works, within the framework of which the defects discovered to certain parts of Works specified in the Employer’s requirements must be remedied by the Contractor pursuant to Sub-Clause 11.1 [Completion of outstanding work and remedying of defects]
1.1.3.9	Reword Sub-Clause 1.1.3.9 as follows: “A day” means a calendar day; “a month” means a calendar month; and “a year” means 365 days.
1.1.4 Money payments	and
1.1.4.1	Reword Sub-Clause 1.1.4.1 as follows: “Accepted Contract Amount” means the accepted contract amount stated in the Contract Agreement for the performance of all obligations arising from the Contract, incl. the performance and completion of Works, as well as remediation of any defects thereof. The Accepted Contract Amount is formed of the total of sums for all Sections of Works or the sum total for the First Section, the sum for the Second Section, the sum for the Third Section, and the sum for the Fourth stage stated in the Contract Agreement.
1.1.4.6	<i>Delete Sub-Clause 1.1.4.6.</i>
1.1.4.10	<i>Delete Sub-Clause 1.1.4.10.</i>
1.1.5	

Works and Goods	
1.1.5.6	Reword Sub-Clause 1.1.5.6 as follows: "A Section" means a part of the Works, which is specified as a Section of Works in the Employer's requirements and in Sub-Clause 10.1 [<i>Taking-Over of Works and Sections</i>].
1.1.5.8	Add the following to the Sub-Clause 1.1.5.8: The Works include any works, incl. the necessary planning, surveying (incl. engineering survey), designing, construction works, author supervision, verifications and all other activities for the implementation of the Project to fulfil the Contract (incl. the Employer's requirements, the Contractor's tender, the Programme and Schedules). Inter alia, the Works also include all such works that (even though they are not expressly specified in the Contract) are necessary for the resilience of Works and their results, for the completion of Works, as well as for safe and correct use thereof. The Contractor shall bear responsibility for the adequacy, resilience and safety of all activity to be performed at the Works performance site, all construction methods and all Works. The Contractor, upon request by the Engineer, shall produce information about procedures and methods that the Contractor proposes to adopt for the performance of Works. Without prior agreement with the Engineer, material changes are not permissible in such procedures or methods.
1.1.5.9	Add a Sub-Clause 1.1.5.9 worded as follows: "Traffic interruption" is a period agreed upon in compliance with the Applicable Law by the Employer and approved by the Engineer, notified to the Contractor for the latter to perform works that cannot be performed without disrupting, stopping railroad traffic.
1.1.6 Other Definitions	
1.1.6.2	Reword Sub-Clause 1.1.6.2 as follows: "The State" means the Republic of Latvia.
1.1.6.3	Delete Sub-Clause 1.1.6.3.
1.1.6.5	Reword Sub-Clause 1.1.6.5 as follows: "Applicable Law" means all legal provisions, laws, decisions and other regulatory enactments existing in the State, as well as any regulations and acts based on laws, adopted by any legally established competent State institution, as well as European Union regulations, directives and other regulatory enactments of the European Union and documents of European Union institutions that refer to the Global Project.
1.1.6.7	Reword Sub-Clause 1.1.6.7 as follows: "Work performance site" is a territory in the city of Riga (Riga, Republic of Latvia), where Permanent Works must be performed, as well as any other territories stipulated in the Contract, which might be referred to therein as a part of the Contract performance site. Primarily, the Work performance site is the Riga Central Passenger Station, the urban and railroad infrastructure in the section between Lāčplēša and Jelgavas Streets.

<p>1.2 Interpretation</p>	<p>Reword Sub-Clause 1.2, sub-paragraph (d) as follows: Unless the context necessitates otherwise, the Contract: (d) “written” or “in writing” means written by hand, type-written, printed or in electronic form (incl., sent, placed, received in e-mail or in other electronic environment, system) and saved as a permanent document.</p>
<p>1.3 Communications</p>	<p>Reword Sub-Clause 1.3 as follows: Whenever the Contract stipulates to file or issue confirmations, approvals, agreements, decisions, notifications and requests, this information must be: (a) put in writing and submitted personally (with confirmation upon receipt), sent in mail or with courier mail, or forwarded using any of electronic data transmission systems envisaged in the Contract; and (b) delivered, sent or forwarded to the recipient address stipulated in the Contract Agreement or Appendix to Tender. However: (i) if the recipient submits a notification about another address, information from that point on shall be sent as per said notification; and (ii) unless the recipient, upon requesting confirmation or agreement, has stated otherwise, it may be sent to an address, from which this request was received. The sending of confirmations, approvals, agreements and decisions may not be unduly delayed or put off. When one Party is given a confirmation, the Party issuing it shall send a copy of confirmation to other Parties, too. If one Party is given a notification by either of the Parties, a copy of the notification, depending on the situation, is sent to other Parties, too.</p>
<p>1.4 Applicable law and language</p>	<p>Reword Sub-Clause 1.4 as follows: The Contract is subject to regulatory enactments effective in the State, incl. European Union regulations, directives and other regulatory enactments of the European Union and documents of the European Union institutions, which apply to the Global Project. The Contract is drafted in the Latvian language. The operative communication language is Latvian or English, the official communication language is Latvian and English, the Contractor’s documents must be drafted in Latvian and English. Contract documents may envisage exceptions with regard to the communication language.</p>
<p>1.5 Priority of documents</p>	<p>Reword Sub-Clause 1.5 as follows: Documents included in the body of the Contract mutually complement one another. For purposes of interpretation, documents shall be ordered by priority in the following sequence: (a) Contract Agreement; (b) Particular Contract Conditions (and their annexes, if any); (c) General Contract Conditions; (d) Explanations of Procurement documentation provided by the Employer; (e) Employer’s requirements, Procurement regulations and other annexes to the Procurement regulations; (f) Appendix to Tender; (g) Programme; (h) Tender letter; (i) other Schedules (excluding the Programme);</p>

	<p>(j) All other documents that form a part of the Contract, excluding the Contractor's Tender;</p> <p>(k) Contractor's Tender.</p> <p>If any discrepancies or inconsistency are discovered in the documents, the Engineer provides any necessary explanations, clarifications or instructions.</p>
1.6 Contract Agreement	<p>Reword Sub-Clause 1.6 as follows: The Contract shall take effect on the day, when the last Party has signed it. The Contract Agreement entered into between the Parties forms an integral part to the Contract.</p>
1.7 Assignment	<p>Reword Sub-Clause 1.7 as follows: In the absence of a prior written consent of the Employer, the Contractor may not transfer the Contract or any part thereof, or any benefits or advantages in relation to the Contract, or rights and obligations arising from the Contract.</p>
1.9 Errors in Employer's requirements	<p>Delete Sub-Clause 1.9.</p>
1.10 Employer's Use of Contractor's documents	<p>Reword Sub-Clause 1.10 as follows: By means of the Contract and without additional remuneration, the Employer is granted the Contractor's as the author's existing and future material rights, pursuant to Section 15 of the Copyright Law, as regards the Contractor's documents originated pursuant to the Contract and other Project documents and objects subject to other copyrights that the Contractor has developed or which have been developed on the Contractor's instructions or for the Project's needs. The Employer is entitled to freely, at their own discretion, alienate said rights to the benefit of other persons. The Contractor guarantees that the author's personal rights prescribed in Part one of Section 14 of the Copyright Law shall not be exercised, namely, to decide whether or not the work will be announced and when (Clause 2 of part one of Section 14), recalled (Clause 3 of part one of Section 14), inviolability of work (Clause 5 of part one of Section 14) and counteraction (Clause 6 of part one of Section 14). The Employer shall gain all the rights to detail, change, transform, amend and supplement the Contractor's documents and other Project documents, and objects subject to other copyrights, developed by the Contractor (or developed on the instructions of the latter or for the Project needs) or parts thereof, use them to create new works, adapt them to own needs or those of others, use them to build another object, and no separate consent by the Contractor is required in any case for any such activities. The Contractor shall ensure that all such authorisations and rights are received from other persons involved in the development that are required in order to transfer the Contractor's documents and other Project documents and objects subject to other copyrights developed by the Contractor (or developed on the instructions of the latter or for the Project needs) to the Employer. In developing the Contractor's documents and other Project documents, and objects subject to other copyrights, the Contractor must prevent the violation of personal or material rights of other copyright holders or the use of illegally obtained objects subject to copyright. The Contractor shall be fully liable for copyright violations by third parties. The Contractor shall ensure that they</p>

receive all the required authorisations and rights from authors of the Contractor's documents and of other Project documents and of objects subject to other copyrights and from any other persons involved in the development of the Contractor's documents and other Project documents and objects subject to other copyrights, in order to transfer to the Employer the rights prescribed in the Contract and to maintain them valid for an indefinite period.

The Contractor shall, at their own expense, defend the Employer in any claim against the latter alleging that the use of Contractor's documents and/or other Project documents and/or objects subject to other copyrights, developed pursuant to the Contract by the Contractor (or developed on the instructions of the latter or for the Project needs) violates third party copyright. Without exception, the Contractor shall cover the costs of defence against such claim, the costs of a settlement negotiated by the Contractor, damages and compensation adjudicated by the court, as well as legal costs. The Employer shall provide reasonable assistance to the Contractor, at the Contractor's expense, with regard to such litigation or settlement. If, within a reasonable time period from the moment, when the Employer has notified the Contractor about it in writing, the Contractor failed to take action against such claims or activities, the Employer shall be entitled to take relevant legal action and they shall be reimbursed, compensated for any and all costs related thereto directly or indirectly.

If, as a result of a ruling by a competent institution or a court, it is believed that the Contractor's documents or other Project documents or objects subject to other copyrights, developed by the Contractor (or developed on their instructions or for the Project needs) violate any third party rights and the use of the Contractor's documents or other Project documents or other objects subject to other copyrights, developed by the Contractor (or developed on their instructions or for the Project needs) is prohibited, or if the Contractor justifiably finds that any of the Contractor's documents or other Project documents or objects subject to other copyrights, developed by the Contractor (or developed on their instructions or for the Project needs) can become a subject of an infringement claim, the Contractor shall, at his cost, ensure the rights to the Employer to continue their use.

The Contractor shall undertake to ensure that the Contractor's documents and other Project documents or objects subject to other copyrights, developed by the Contractor (or developed on their instructions or for the Project needs) shall not, without the Employer's consent be used or copied for purposes other than those prescribed in the Contract, and the Contractor (or on their instructions) shall not hand them over to third party and shall not use them for the benefit of third parties.

The payment that the Employer pays to the Contractor under the Contract shall include royalties and any compensation also for the fulfilment of the Contractor's obligations prescribed hereunder, and the Contractor may not request additional compensation, incl. royalties/fees, licence fees or any other type of payments with regard to the matters stipulated hereunder, incl. for copyright as regards the Contractor's documents and other Project documents and objects subject to other copyrights, developed by the Contractor (or developed on their instructions or for the Project needs).

	<p>If, due to any reason, the Contract is terminated, it is deemed that, as of the time of terminating the Contract, the Contractor has refused from performing author's supervision of the Works (any and all parts thereof), and thereby the Employer is entitled to entrust author's supervision with another specialist of the relevant field or an undertaking that employs a specialist of the relevant field.</p>
<p>1.12 Confidential details</p>	<p>Reword Sub-Clause 1.12 as follows:</p> <p>The Contractor has the duty to disclose and provide the Engineer with all such information at the disposal of the Contractor (incl. the Contractor's personnel, subcontractor), which the Engineer may reasonably request to verify the conformity of the Contractor and their activity with the Contract.</p> <p>The Contractor shall treat all data, documents, information (irrespective of who has given it and whether it has been given orally, in writing or otherwise) in relation to the Contract and its fulfilment as confidential, and shall disclose it to other persons or shall otherwise make it available to other persons only upon receiving a prior written consent from the Employer.</p> <p>It is the Contractor's duty to safeguard the received confidential information and not to disclose it to other persons, and to ensure that the Contractor's subcontractors, officials, employees and representatives do not disclose confidential information to other persons, excluding cases when (and only to such extent as) the Employer gives a prior written permission.</p> <p>Without receiving a prior written consent from the Employer, the Contractor may disclose confidential information only in the following cases:</p> <ul style="list-style-type: none"> (a) information that the Contractor reasonably needs in performing their obligations under the Contract, including the disclosure of confidential information to the Contractor's employees, subcontractors, representatives and officials to an extent as to ensure the fulfilment of the Contractor's obligations as per Contract, however only upon each of such persons has undertaken to observe equivalent regulations of keeping and withholding confidential information arising from the present sub-paragraph; (b) to disclose confidential information to lenders or insurance consultants, however only to such an extent as is reasonably necessary to make a decision on an offer; (c) to disclose confidential information to competent State institutions, who have been granted such rights in the Applicable Law, if they justifiably request such information; (d) if confidential information has become known to wider public and it has not happened as a result of a confidentiality breach. <p>Irrespective of reasons of termination of the Contract, the Contractor shall:</p> <ul style="list-style-type: none"> (a) return to the Employer all such confidential information (originals), which are (should have been) in use by or at the disposal of the Contractor; (b) destroy such confidential information (incl. all copies thereof), using a secure and confidential information destruction method, if so requested in writing by the Employer, as well as must submit, without delay, to the Employer a Contractor's statement in writing confirming the fulfilment of obligations prescribed hereunder. <p>Except for cases stipulated in the present sub-paragraph of this Contract, in the imperative provision of the Applicable Law (or in the imperative provision of a</p>

	<p>regulatory enactment of another country governing the Contractor’s activity), the Contractor may not breach the stipulations of the present sub-paragraph or issue press releases on matters covered under the Contract without receiving a prior written consent from the Employer (the Employer may not unduly delay or put off such a press notice, if it is relating to the fulfilment of the Contractor’s legal duties).</p> <p>The Employer is entitled to publish any deliverables, documents, information or data that the Contractor has submitted to the Employer during the Contract performance.</p> <p>Failure to comply with the confidentiality regulations is a breach of Contract, which gives the Employer the rights to request compensation for damages occurring as a result of failure to observe the Contractor’s confidentiality regulations.</p> <p>The confidentiality regulations are not time-barred, and they are not subject to the Contract validity term, and the confidentiality obligations shall remain valid after the Contract validity term or termination of the Contract.</p>
<p>1.13 Compliance with laws</p>	<p>Reword Sub-Clause 1.13 as follows:</p> <p>During the Contract performance, the Contractor shall observe and comply with the provisions of the Applicable Law. Among other things, the Contractor shall:</p> <p>(a) In due time, using own resources and funds, ensure that all the agreements, approvals, authorisations (incl., but not limited to special permits, one-off permits, building permits issued by the State Railroad Technical Inspectorate, building boards and other competent State entities, as well as all other agreements, approvals and authorisations stipulated in the Employer’s requirements) necessary / required for the performance of all Works (incl. any parts thereof) are received and maintained valid, renewed, extended and amended throughout the Contract performance period. With regard to the stipulations of the present sub-paragraph, the Contractor shall prepare and submit all the necessary documents at the relevant institutions, and must receive all agreements, approvals and authorisations, incl. pursuant to the Applicable Law, and the Contractor must ensure the fulfilment of these regulations, and also must ensure that the Employer does not suffer adverse consequences as a result of non-fulfilment or inadequate fulfilment of duties prescribed in the present sub-paragraph; and</p> <p>(b) The Contractor must submit all notifications, pay taxes, dues and fees, and, if necessary, receive all permits, licences and approvals, as per Applicable State Law as regards the designing, performance and completion of Works or remediation of any defects, including, but not limited to the receipt of connection regulations, must ensure conformity with special requirements, must receive consent from and agreement with owners and users of neighbouring and adjacent territories, other documents required for the planning and performance of Works, as well as approvals of completion of designing and construction works. The Contractor must also ensure that the Employer shall not suffer from adverse consequences as a result of non-fulfilment or inadequate fulfilment of obligations prescribed in the present sub-paragraph.</p>

<p>1.14 Joint and several liability</p>	<p>Reword Sub-Clause 1.14, sub-paragraph (c) as follows: (c) The Contractor shall not change their structure or legal status without a prior written consent of the Employer, except if such change is permissible under the Applicable State Laws in the public procurement field.</p>
<p>1.15 Contractor's advertising</p>	<p>Add a Sub-Clause 1.15 worded as follows: The Contractor may not use the Work performance sites for advertising or marketing purposes, except in cases when the Employer grants a prior written consent and the set conditions are observed. Without the Employer's prior written consent, the Employer may not publish or otherwise distribute any photographs, video recordings, descriptions, any Work documents fully or partially, or any information related to the Contract performance, or use it for purposes other than in relation to the Contract performance.</p>

<p>2. The Employer</p>	
<p>2.1 Right of access to the site</p>	<p>Reword Sub-Clause 2.1 as follows:</p> <p>The Employer shall ensure that the Contractor has the right to access the Work performance site for a time period and to the extent as prescribed in the present Sub-Clause 2.1.</p> <p>Uninterrupted cargo and passenger rail transport at the Work performance site does not constitute limitations or disruption of access to the Work performance site. Works to be performed on or with railway tracks that are used for railroad traffic may be done during breaks in Traffic. Works that are performed at a safe distance from tracks, while observing railroad safety regulations and safe access for passengers to embark in rail cars without endangering the safety of the railroad, can be done at any time.</p> <p>In the Programme, the Contractor sets a date for construction works, starting from which the Work performance site will need to be used. The boundaries of the Work performance site will be specified by the Engineer upon receiving prior Employer's approval.</p> <p>The Employer is entitled to transfer and the Contractor has the duty to accept territories, which will form the Work performance site, also before the time period indicated by the Contractor and agreed by the Engineer, as well as any other time, if the Contractor delays the provision of information specified in the previous paragraph of the present sub-paragraph regarding time periods.</p>

	<p>The Employer shall notify the Contractor 5 (five) days in advance about the transfer of the Work performance site to the Contractor. The Contractor must ensure the acceptance of the Work performance site.</p> <p>The Employer shall transfer the Work performance site to the Contractor with one or several Taking-Over certificates of the Work performance site. The Work performance site is transferred to the Contractor by signing a Taking-Over certificate of the Work performance site.</p> <p>The Employer shall transfer the Work performance site to the Contractor, if:</p> <ul style="list-style-type: none">(a) The Contractor has received a remark in the building permit at the Building Board or in an institution that performs the Building Board functions about fulfilling all designing conditions.(b) The Contractor has received a remark in the building permit at the Building Board or in an institution that performs the Building Board functions about fulfilling conditions for starting construction works.(c) The Contractor has submitted Insurance policies as stipulated in Chapter 18 [Insurance] and documents confirming the payment of relevant insurance premiums. <p>At the time of signing the Taking-Over certificate of the Work performance site, the Contractor shall assume any and all risk and responsibility about events and processes at the Work performance site, any accidents, loss, injury or destruction of health, life or any personal property, or failure to observe order established at the Work performance site, as well as any other risks, including risks related to partial or complete damage or destruction of Works or the Production site.</p> <p>At the time of signing the Taking-Over certificate of Works, the Contractor becomes responsible for entire infrastructure that is constructed or is located in the territory of the Work performance site, including responsibility for its maintenance and management, preventing any damage and compensating for loss to the users and owners of the respective infrastructure, should any loss be suffered. The Contractor shall promptly fence off the Work performance site and place signs and information boards as prescribed in the Contract or in the Applicable Law or as indicated in the construction documentation.</p> <p>The right to use the Work performance site is not an exclusive right of the Contractor, and other performers of Project construction works can also perform construction work at the Work performance site. In such case, prior to engaging other Project construction work performers at the Work performance site, the Engineer shall, bearing in mind the Programme and upon discussing it with the</p>
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	<p>Employer, the Contractor and other performers of Project construction works and/or the customer of other performers of Project construction works, establish binding regulations on the co-operation with another performer of Project construction works. The Contractor must co-operate with such other performers of Project construction works in compliance with procedures established by the Engineer. If the Contractor and the other performer of Project construction works cannot settle a matter of co-operation, then the Engineer shall give binding instructions on how to fulfil the duty to co-operate.</p> <p>The Contractor must ensure access to the Work performance site and infrastructure objects and communications at the Work performance site to the Railroad infrastructure manager, their employees and authorised persons and other owners of infrastructure or communications, taking into account the needs and rights of the Railroad infrastructure manager and owners of other infrastructure or communications as per Applicable Law.</p> <p>If the Contractor, not due to their fault, delays the fulfilment of Works and/or incurs Costs because the Employer has not ensured such access or management rights in due time, the Contractor shall submit a notice to the Engineer and, pursuant to Sub-Clause 20.1 [<i>Contractor's claims</i>], shall be entitled to request:</p> <ul style="list-style-type: none"> (a) an extension of the deadline in case of any such delay, if the performance of Works is or will be delayed, pursuant to Sub-Clause 8.4 [<i>Extension of the time for completion</i>], and (b) compensation for any such Costs that include reasonable profit and that must be included in the Contract Price. <p>Upon receiving this notice, the Engineer acts pursuant to Sub-Clause 3.5 [<i>Determinations</i>] to agree or decide on these matters. However, if the failure to fulfil this Employer's obligation is the result of the Contractor's error or delay, including error in any of the Contractor's documents or delay of submitting it, the Contractor is not entitled to receive such extension of deadline, compensation or profit of Costs.</p>
<p>2.2. Employer's authorisation</p>	<p>Delete Sub-Clause 2.2 [Permits, licences or agreements] and supplement with a new Sub-Clause 2.2 [Employer's authorisation]:</p> <p>If, pursuant to the Applicable Law, the Contractor cannot duly perform an obligation, incl., but not limited to, obtaining permits or agreements from third parties governed by private or public law, without the Employer's collaboration, then the Contractor must, in due time, without delaying the Works, address the Employer with a request to issue a special power of attorney to the Contractor, by specifying the obligation, for the performance of which the special power of</p>

	<p>attorney is necessary, and the scope thereof. The Employer shall, within 14 days, issue a special power of attorney to the Contractor with the scope and for a period as required for the performance of the Contractor’s obligation, and, within the framework of the special power of attorney, the Contractor shall act as the Employer’s representative. The Contractor shall be responsible for any consequences arising as a result of failing to receive the special power of attorney in due time.</p>
<p>2.4 Employer’s financial arrangements</p>	<p><i>Delete Sub-Clause 2.4.</i></p>
<p>2.5 Employer’s claims</p>	<p>Reword part two of Sub-Clause 2.5 as follows:</p> <p>The Employer may issue a notification at any time before the issue of a confirmation of Contract performance, whereas, as regards the Contractor’s obligations during the Extended Defects Notification Period, no later than on the last day of the Extended Defects Notification Period. A notification as regards the extension of the term of Defects Notification Period or the Extended Defects Notification Period shall be submitted before the end of that term.</p> <p>Add part five to the Sub-Clause 2.5 as follows:</p> <p>During the Extended Defects Notification Period, the Engineer is not entitled to act pursuant to Sub-Clause 3.5 [Determinations], and, if the Contractor fails to voluntarily meet the Employer’s claim, the dispute shall be resolved pursuant to Sub-Clause 20.6 [Resolution of disputes].</p>

<p>3. The Engineer</p>	
<p>3.1 Engineer’s duties and authority</p>	<p>Reword part one of Sub-Clause 3.1 as follows:</p> <p>The Engineer is a party to the Contract performing on-site supervision duties prescribed in the Applicable Law and obligations envisaged in the Contract. While the contrary has not been proved in compliance with procedures established in Sub-Clause 20.6 [Resolution of disputes], in order to ensure and not jeopardise Work performance pursuant to the Programme and the Employer’s requirements, the Employer and the Contractor shall be guided by the Engineer’s conduct and comply with the Engineer’s decisions, assuming that they are correct and meet the Contract provisions.</p>

Reword part three of Sub-Clause 3.1 as follows:

The Engineer may not exercise the rights conferred as prescribed in or directly arise from the Contract. If the Engineer acts beyond the competence of an on-site supervisor prescribed in the Applicable Law, then the Engineer shall receive a prior written consent from the Employer, before acting or making any decisions in the following sub-paragraphs of the present Contract:

- 1) 4.12 [*Unpredictable physical circumstances*]
- 2) 5.2 [*Contractor's documents*], but only as regards the following documents (Master design, Detailed Technical designs, temporary commissioning certificates, commissioning certificates, and the Report. During the Contract performance period, the Employer is entitled to apply the requirements stipulated hereunder also to other Contractor's documents)
- 3) 8.4 [*Extension of the completion time*]
- 4) 8.11 [*Long-term suspension*]
- 5) 10.1 Taking-Over of Works and Sections
- 6) 13. [*Variations and Adjustments*]
- 7) 17.4 [*Consequences of materialisation of Employer's risks*]

The application submitted by the Engineer to the Employer in the aforementioned cases must be justified and must contain a preliminary Engineer's proposal/opinion/view. If, because no Employer's consent is received, the Engineer cannot act, incl. before the deadline, pursuant to Sub-Clause 3.5 of the Contract [Decisions], then it shall be deemed that the Engineer has no competence to make a decision in the respective matter, and disagreements between the Employer and the Contractor are resolved pursuant to Clause 20 [*Claims, disputes and arbitration*].

The Engineer does not need to receive a prior written consent from the Employer, when an emergency situation objectively exists which requires an urgent solution or a decision and which can inescapably cause material harm to the Employer, the environment, human life or property.

Delete part four of Sub-Clause 3.1.

Reword sub-paragraph (a) of part five of Sub-Clause 3.1 as follows:

	<p>(a) in fulfilling obligations and exercising rights prescribed in or arising from the Contract, it is deemed that the Engineer, being a party to the Contract, is acting, in order to ensure, within the framework of their competence, that the Contractor duly fulfils the Contract, bearing in mind the Employer’s interests, incl., but not limited to, performs the Works by the set deadline, of agreed quality and within the Accepted contract amount.</p>
<p>3.2 Delegation of Engineer’s authority</p>	<p>Delete Sub-Clause 3.2.</p>
<p>3.3 Instructions of the Engineer</p>	<p>Reword the first sentence of part one of Sub-Clause 3.3 as follows:</p> <p>The Engineer, without prejudice to the rights of an on-site supervisor envisaged in the Applicable Law, may instruct the Contractor (at any time), as may be necessary for the performance of Works, remediation of any Defects and in compliance with the Contract.” The Contractor shall accept only the Engineer’s instructions. If the instruction includes Variations, provisions of Clause 13 [<i>Variations and Adjustments</i>] shall apply.</p> <p>Add part three to Sub-Clause 3.3:</p> <p>If the Engineer or their delegated assistant:</p> <ul style="list-style-type: none"> (a) gives verbal instructions, (b) within two working days after giving instructions receives a written confirmation of instructions from the Contractor (or on their behalf), and (c) within two working days after receiving the confirmation of instructions, fails to reply, by giving a written revocation and/or instruction, <p>then the approval shall constitute a written instruction of the Engineer.</p>
<p>3.4 Replacement of the Engineer</p>	<p>Reword Sub-Clause 3.4 as follows:</p> <p>The Employer shall inform the Contractor at least 14 days in advance on replacement of the Engineer, which occurs as another person enters into the Contract to exercise the rights and perform the duties of an Engineer. The Contractor shall provisionally agree to such replacement of an Engineer, and the Contractor is not entitled to raise any objections about the replacement of the</p>

	<p>Engineer. Starting from the 15th day following the notification issued by the Employer about the replacement of the Engineer, the replaced Engineer is not entitled to exercise any rights conferred upon then with the Contract and the Engineer’s contractual obligations are fulfilled and rights are exercised by the assigned Engineer.</p>
<p>3.5</p> <p>Determinations</p>	<p>Reword Sub-Clause 3.5 as follows:</p> <p>Whenever specified in the present Regulations that the Engineer is acting pursuant to Sub-Clause 3.5, to agree or decide on a matter, the Engineer shall, as an independent third party, discuss with each Party, in order to reach an agreement. If no agreement is reached, the Engineer shall make a fair determination pursuant to the Contract, taking into consideration all the relevant circumstances. The Engineer shall take all the necessary steps, in order to avoid a conflict of interest in the making of a fair determination.</p> <p>The Engineer shall inform both Parties about any agreement or determination, including any explanatory information. The Parties (the Employer, the Contractor) shall act in line with each agreement or determination, insofar as no changes are introduced pursuant to the conditions of Clause 20 [<i>Claims, disputes and arbitration</i>].</p>
<p>3.6</p> <p>Meetings</p>	<p>Add a Sub-Clause 3.6 [Meetings] worded as follows:</p> <p>The Engineer and the Contractor shall organise meetings and shall ensure the participation of relevant personnel of the Engineer and of the Contractor. The Engineer shall set the time and place of such meetings, and shall invite any other persons to the meetings, which the Engineer deems necessary, including any Employer’s consultants and/or Employer’s other contractors. The Engineer shall issue meeting protocols to the meeting participants and to the Employer. Decisions and/or Engineer’s instructions included in the meeting minutes are binding upon the Contractor and the Subcontractors.</p>

<p>4. The Contractor</p>	<p>Reword Clause 4 as follows:</p>
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<p>4.1 Contractor's General Obligations</p>	<p>The Contractor must design, perform and complete the Works pursuant to the Contract, and must remedy any defects in Works, incl. during the extended Defects Notification Period. The completed Works must correspond to the purposes, for which they were intended, pursuant to the Contract. The Works must be performed, taking into account also the division of Works into Sections (five Sections).</p> <p>The Contractor must deliver the Equipment, Materials and Contractor's documents as per Contract, as well as must ensure the Contractor's personnel, Equipment, Materials, consumables and other items and services of temporary or permanent nature, which are necessary and intended for designing, performing, completing the Works and for remedying defects.</p> <p>The Works include any task that is necessary to ensure compliance with the Employer's requirements, the Contractor's tender and Schedules or that arise from the Contract, as well as include all such tasks, which (though not stipulated in the Contract) are necessary to ensure the stability or completion of Works, or their safe and correct use.</p> <p>The Contractor is responsible for the adequacy, stability and safety of activities, construction methods and Works done at the Work performance site pursuant to the Contract, incl. the Employer's requirements and the Applicable Law, existing European Union laws.</p> <p>Upon any request by the Engineer, the Contractor must submit detailed information about measures and methods that the Contractor recommends using in the performance of Works. These measures and methods may not be changed substantially, without prior agreement with the Engineer.</p> <p>Among other things, the Contractor: (i) within the framework of Work performance, shall draft and maintain the Contractor's documents pursuant to the Contract and the Applicable Law; (ii) shall ensure that the Contractor and/or any Subcontractor has the necessary certificates and licences for the performance of Works and shall ensure that all documentation prescribed in the Applicable Law is available at the Work performance site; (iii) in compliance with procedures established in the Contract, shall monitor the impact of the Works on adjacent structures, buildings (monitoring of buildings and construction works) and shall report to the Engineer about any adverse effect, and take adequate corrective steps; (iv) shall observe and fulfil the requirements of competent persons, which perform the functions and requirements of monitoring and ensuring lawfulness; and (v) shall coordinate performance of Works with any claims from state or municipal establishments or public service providers, arising during the Work completion time.</p> <p>The Contractor shall guarantee that, in designing, performing and completing the Works, they have and will use skill, care and diligence, which can be reasonably expected from a duly qualified contractor having experience in the performance of such works in projects of a similar type, nature and complexity. In the performance of Works, the Contractor shall, inter alia, include all the necessary activities, as well as receive, observe and fulfil any requests, permits, agreements and approvals of competent authorities, institutions, undertakings</p>
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	<p>and entities, as prescribed in the Contract, the Applicable Law, and in the laws existing in the European Union.</p> <p>The Contractor must carry out the Works also using the Employer's ensured Uniform Data Environment (<i>Vienotā datu vide - VDV</i>). The Contractor shall fulfil the duties prescribed upon them in BIM requirements, as well as ensure the conformity of Subcontractors with duties established in the Employer's BIM requirements.</p> <p>The Contractor shall confirm that, before submitting a tender within the framework of the procurement procedure, the Contractor has scrupulously reviewed and analysed, examined and assessed the Project, as well as Contract requirements, incl. the Employer's requirements, and will not request additional remuneration from the Employer, even if the Employer's requirements do not envisage specific solutions that are necessary to implement the Contract and which will require or might require additional works, and in this respect, the Contractor has no rights to request, receive any compensation, remuneration and/or extension of deadlines (incl. of any interim deadlines, of Contract), or make any claims towards the Employer, incl. about compensation for loss, income foregone, and other costs.</p> <p>The Contractor shall undertake, throughout the entire time of use of systems and equipment set up or Works performed within the framework of the Contract, to ensure to other Employer's suppliers, who carry out railroad infrastructure modernisation and/or installation of new systems and equipment, to perform, at a competitive price, renovations, expansion works, render services, provide full information about the production unit and full-range assistance relating to the compatibility of the Employer's used systems and equipment, which are modernised/installed by the Contractor. Breach of this obligation for the part of the Contractor shall impose a duty on the Contractor to compensate for all direct and indirect Employer's losses. It shall be deemed that such losses also include funding for other projects, granted by the European Union or within another support programme, and which the Employer has not received due to the aforementioned breach of obligations.</p> <p>In order to fulfil the Contract, the Contractor must register as a VAT payer.</p> <p>Among other things, the Contractor must ensure, in due time, temporary commissioning of all relevant Work Sections (i.e., all such Sections or parts thereof), which, pursuant to the Applicable Law may be temporarily commissioned. Likewise, the Contractor must ensure, in due time, the (permanent) commissioning of each Work Section, as well as of all Works, pursuant to the Contract and the Applicable Law.</p> <p>Unless the Contract provisions establish otherwise, the works necessary to construct the 1435 mm gauge railway track signalling and overhead line system to implement the Project shall be done by "other Project contractors" or the performance of these works will be organised by AS "RB Rail", whereas, to perform these works, the Contractor must construct overhead line poles (technologically connected and subordinated works, as well as designing and author's supervision works of 1435 mm railway track signalling and overhead lines, and the setting up of overhead line poles, as well as construction of piping</p>
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	<p>of the signalling and communication system necessary for 1435 mm gauge railway tracks, excluding cabling or setting up field equipment, except as necessary for the verification and/or commissioning of the structure).</p>
<p>4.2 Contract performance security</p>	<p>The Contractor must (at his cost) ensure performance security for adequate Contract performance. The Contract Performance Security must be executed in the local currency, and the guarantee amount may not be lower than 10 % (ten per cent) of the Accepted Contract Amount.</p> <p>The Contractor must provide the Employer with the Contract Performance Security within 28 days from the date of concluding the Contract, and a copy must be sent to the Engineer upon the Engineer’s request.</p> <p>The Contract Performance Security, pursuant to the enclosed form (form in Annex 3 to be used for security insurance agreement; form in Annex 2 — for the bank guarantee), upon first request, non-conditional, irrevocable, in a form of a security insurance agreement or a bank guarantee, may be issued by the Employer’s approved:</p> <ul style="list-style-type: none"> a) bank (credit institution) registered in the Republic of Latvia, in a European Union Member State, or in a European Economic Area member state, which, in compliance with the laws, provide services of a credit institution in the Republic of Latvia, in a European Union Member State, or in a European Economic Area member state; b) insurance company registered in the Republic of Latvia, in a European Union Member State, or in a European Economic Area member state, which, in compliance with the laws, provide insurance services in the Republic of Latvia, in a European Union Member State, or in a European Economic Area member state. <p>In assessing the conformity of the Contract Performance Security and the party/-ies submitting it, the Employer shall, inter alia, take into account financial stability indices of the party/-ies submitting the Contract Performance Security (moreover, the Contractor must timely ensure the provision of all the relevant documents, evidence to the Employer as regards the conformity of the Contract Performance Security and the party/-ies submitting it with the Contract provisions), thus, each part submitting the Contract Performance Security, must also meet the following criteria:</p> <ul style="list-style-type: none"> a) Financial reports (for instance, annual accounts) of the Contract performance guarantor for at least the last 5 years (from 2013 until 2017, including) must be consecutively (i.e. without interruptions, in each of the given years) audited/examined in compliance with procedures established in the applicable law;

	<p>b) Financial reports (for instance, annual accounts) of the Contract performance guarantor for at least the last 5 years (from 2013 until 2017, including) were consecutively (i.e. without interruptions, in each of the given years) audited/examined by an international, independent, duly qualified auditor company and their opinion/-s in any of the specified time periods may not: (b.1) be negative (rejecting, not approving the relevant financial report); or (b.2) contain objection/-s: (b.2.1) as regards restrictions of the scope of audit of the Contract performance guarantor; (b.2.2) as regards concerns about the ability of the Contract performance guarantor to continue operations in the future; (b.2.3) that the respective financial report does not provide a clear and truthful overview of the Contract performance guarantor's financial reports. It is permissible that such opinion/-s may contain a remark/-s regarding the emphasis of circumstances.</p> <p>In the light thereof, the Employer is entitled to not accept, reject a Contract Performance Security submitted by the Employer, but non-compliant with the Contract requirements, in which case the Contractor (without exceeding the submission deadline specified in the Contract) must submit to the Employer another Contract Performance Security compliant with the Contract requirements.</p> <p>If the Contractor chooses a guarantee insurance agreement as the form of Contract Performance Security, the Contractor shall, inter alia, provide the Employer also with a confirmation issued by the insurance company, confirming full payment of the insurance premium and the unrestricted validity of the relevant guarantee insurance agreement, by submitting the said document originals, in order for the Employer to ascertain of the validity of the Contract Performance Security.</p> <p>The Contractor shall ensure that the Employer's approved Contract Performance Security shall remain valid and can be executed until such moment when the Contract performance confirmation is issued in compliance with procedures established in the Contract (i.e. including also the Defects Notification Period). If the Contract Performance Security conditions specify a final validity date and the Contractor has not received the Contract performance confirmation 28 days before that date, the Contractor must extend the validity term of the Contract Performance Security until such day that is at least 10 (ten) working days after the moment of issue of the Contract performance confirmation.</p> <p>The Contractor is entitled, no earlier than within 28 (twenty-eight) days after the date of issue of a Certificate of Taking-Over of all Works (i.e. the final, last Certificate of Taking-Over of Works) (if the Certificate of Taking-Over of all Works specify any defects, then the said term shall be counted from the day, when a relevant confirmation is issued on the remediation of such defects), to reduce the Contract Performance Security amount, however, under no circumstances, it can be below 5% (five per cent) of the Accepted Contract Amount or the Contract Price (whichever is larger), while other conditions of</p>
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	<p>the Contract Performance Security shall remain unchanged, without amendments.</p> <p>The Employer shall be entitled to invoke, request the Contract Performance Security, incl. any amounts due to them under the Contract, if:</p> <ul style="list-style-type: none">(a) The Contractor does not extend the validity term of the Contract Performance Security under the present clause, as a result of which the Employer may demand the Contract Performance Security in full;(b) The Contractor does not pay the amount to the Employer, which is either agreed upon with the Contractor or specified pursuant to Sub-Clause 2.5 [<i>Employer's claims</i>] or Clause 20 [<i>Claims, disputes and arbitration</i>], within 28 days from the conclusion of this agreement or the moment of taking a decision;(c) The Contractor fails to remedy a Defect within 28 days from the moment of receipt of the Employer's notification requesting the remediation of such Defect, or(d) Such circumstances set in, which entitle the Employer to terminate the Contract pursuant to Sub-Clause 15.2 [<i>Termination of Contract by the Employer</i>], irrespective of whether or not a notification is submitted regarding the termination of the Contract. <p>The Employer shall be entitled to make use of the Contract (obligations) performance guarantee also if the Contractor fails to or inadequately fulfils any of the Contract obligations.</p> <p>If the Employer makes use of the Contract (obligations) performance guarantee, the Contractor shall, within 14 (fourteen) days from the date of submission of the Employer's request, provide the Employer with a new Contract (obligations) performance guarantee agreed upon with the Employer and compliant with the Contract provisions.</p> <p>The Employer shall return the Contract Performance Security to the Contractor within 28 days after the date of issue of the Contract performance confirmation (if the Contract performance confirmation identifies any defects, then the said term shall start from the date of issue of a confirmation on the remediation of such defects).</p>
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<p>4.3 Contractor's representative</p>	<p>The Contractor must designate a Contractor's representative (a natural person) and grant them all the authorities required for the representative to operate on behalf of the Contractor pursuant to the Contract.</p> <p>Unless the Contractor's representative is expressly specified in the Contract, the Contractor shall, before the date of commencement of Works, submit to the Engineer for approval the name and detailed information of the person that the Contractor intends to designate as the Contractor's representative. If the approval is not issued or is revoked at a later time, or if the designated person is unable to act as the Contractor's representative, the Contractor shall similarly submit the name and detailed information of another person suitable for the position.</p> <p>Without the Engineer's prior consent, the Contractor is not entitled to revoke the designation of a Contractor's representative or to designate their replacement.</p> <p>The Contractor's representative shall dedicate their time fully to the management of the Contractor's Contract performance. If the Contractor's representative must be temporarily absent from the Work performance site, then, subject to the Engineer's prior consent, the Contractor must designate a suitable substitute, of which the Engineer must be informed.</p> <p>The Contractor's representative shall receive instructions on behalf of the Contractor pursuant to Sub-Clause 3.3 [<i>Engineer's instructions</i>].</p> <p>The Contractor's representative may delegate any authorities, functions and rights to any competent person, as well as revoke such delegation at any time. Any delegation or revocation shall take effect only at the time, when the Engineer has received a notification signed by the Contractor's representative, stating the name of the person and the delegated or revoked authority, functions and rights.</p> <p>The Contractor's representative and all such persons must be fluent in Latvian and English, or the Contractor shall ensure a suitable translation/interpretation for their representative and these persons, furthermore, in a way that timely and expedient performance, fulfilment of the relevant activities is not hindered or delayed.</p> <p>If the Contractor's representative or their replacement during the Work performance is not present at the Work performance site, the Employer is entitled to request and the Contractor shall undertake to pay a penalty to the Employer in the amount of EUR 1000.00 (one thousand euros, 00 cents) per each day, when such infringement occurs, however not exceeding 10 % (ten per cent) of the Accepted Contract Amount.</p> <p>The payment of the penalty shall not release the Contractor from the obligation to perform the Contract.</p>
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<p>4.4 Subcontractors</p>	<p>The Contractor may not, without reaching an agreement with the Engineer, replace the personnel or Subcontractors specified in the Contract and engage additional Subcontractors in the Contract performance. The Engineer may request the opinion of the personnel and the Subcontractor about the replacement reasons.</p> <p>The Contractor must agree with the Engineer on the engagement of additional personnel in the Contract performance. The additionally engaged personnel must correspond as a minimum with the personnel requirements put forth in the Procurement, if personnel of such qualification is additionally engaged, whose qualification was assessed in the Procurement.</p> <p>The replacement of personnel indicated in the Contract is only permissible subject to the Engineer’s consent. The Engineer shall not agree with the replacement of the personnel specified in the Contract in cases, when the proposed personnel does not meet the personnel requirements set forth in the Procurement or they do not have at least the same qualifications and experience as the personnel that was assessed, when determining the economically most advantageous tender.</p> <p>The Engineer shall not agree with the replacement of the personnel specified in the Tender if one of the following conditions exists:</p> <p>(a) the proposed Subcontractor does not meet the Subcontractor requirements set forth in the Procurement procedure documents;</p> <p>(b) such a Subcontractor is replaced, on the capacities whereof the Contractor has relied, in order to prove the conformity of their qualification to the requirements set forth in the Procurement procedure documents, and the proposed subcontractor does not have at least the same qualification, to which the Contractor has referred, when proving their conformity to the requirements set forth in the Procurement procedure, or they meet the tenderer exclusion criteria specified in Part one of Section 42 of the Public Procurement Law;</p> <p>(c) a proposed Subcontractor, whose services to be rendered amount to at least 10 (ten) per cent of the total Contract value, meets the tenderer exclusion criteria specified in Part one of Section 42 of the Public Procurement Law;</p> <p>(d) as a result of the change of Subcontractor, such amendments would be introduced in the Contractor’s tender, which, if included initially, would have affected the choice of tender pursuant to the tender assessment criteria specified in the Procurement procedure documents.</p> <p>The Engineer does not agree to the engagement of a new Subcontractor in cases when such changes, if introduced in the initial tender, would have affected the selection of the tender pursuant to the tender assessment criteria specified in the Procurement procedure documents.</p> <p>Upon examining the eligibility of the new subcontractor, the Engineer shall apply the provisions of Section 42 of the Public Procurement Law. The terms specified in Part three of Section 42 of the Public Procurement Law shall be counted from the day when the request on the replacement of a Subcontractor is submitted to the Engineer.</p> <p>The Engineer makes a decision on whether or not to allow the replacement of the Contractor’s personnel or a subcontractor with a new subcontractor or the engagement or personnel in the Contract performance as quickly as possible,</p>
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	<p>however not later than within 5 (five) working days after they have received all information and documents required to make a decision pursuant to the provisions of the present clause.</p> <p>After the award of the Contract and no later than upon the commencement of the Contract performance, the Contractor shall submit a list of Subcontractors (if it is planned to engage any) in the performance of Works, stating the Subcontractor’s name, contact information and the person with rights of representation, insofar as such information is known. During the Contract performance, the Contractor shall inform the Engineer about any changes in the said information, as well as shall supplement the list with information about a Subcontractor that is later engaged in the performance of Works, no later than 28 days before the intended date, when each Subcontractor is to start the work and at the location of Work performance of such work commencement date.</p> <p>If the Contractor’s engaged responsible construction work manager, the manager of bridge construction works, the manager of railway track construction works, the manager of railway overhead lines construction works, the manager of electronic communication systems and network construction works, the manager of railroad signalling system construction works or the road construction works manager does not have a builder specialist’s certificate (in the relevant field of building practice) issued in the Republic of Latvia and the building specialist’s home country and the country where they render services is a European Union Member State or a member of the European Free Trade Association, the aforementioned building specialists, who are a part of the management of construction works, must, within 3 (three) months from the date of conclusion of the Contract, in compliance with procedures established in the laws of the Republic of Latvia, submit a declaration to a recognition institution regarding temporary provision of professional services in the Republic of Latvia in the regulated profession and must obtain a relevant certificate of a building specialist (in the relevant field of building practice).</p> <p>If the Contractor’s engaged responsible construction work manager, the manager of bridge construction works, the manager of railway track construction works, the manager of railway overhead lines construction works, the manager of electronic communication systems and network construction works, the manager of railroad signalling system construction works or the road construction works manager does not have a builder specialist’s certificate (in the relevant field of building practice) issued in the Republic of Latvia and the building specialist’s home country and the country where they render services is not a European Union Member State or a member of the European Free Trade Association, they must, within 4 (four) months from the date of conclusion of the Contract, in compliance with procedures established in the laws of the Republic of Latvia, carry out recognition of professional qualification in the regulated profession and must obtain a relevant certificate of a building specialist (in the relevant field of building practice).</p>
4.5	Delete Sub-Clause 4.5.

<p>Nominated Subcontractors</p>	
<p>4.6 Co-operation</p>	<p>Pursuant to the Contract provisions or in line with the Engineer’s instructions, the Contractor must also co-operate with owners, managers of railroad infrastructure objects, by coordinating mutual activities, the procedure of performance, periods and other necessary conditions of the relevant Works and parts thereof. Furthermore, the Contractor shall, pursuant to the Contract provisions or in line with the Engineer’s instructions, ensure the possibilities of proper functioning to:</p> <ul style="list-style-type: none"> (a) the Employer’s personnel, the Engineer and his personnel; (b) other contractors employed by the Employer, and (c) the personnel of any legally established state institution, who may be hired to perform any works, which are not included in the Contract, at the Work performance site or direct vicinity thereof; (d) other contractors taking part in the Project implementation or performing works (incl. construction works) at the Work performance site <p>Any such instruction or Contract provisions do not constitute Variations and may not incur Unexpected Costs to the Contractor. To provide service of this personnel and other contractors, the Contractor’s equipment and the performed Temporary Works, as well as access possibilities, for which the Contractor is responsible, may be used.</p> <p>The Contractor shall ensure unhindered access to duly authorised representatives of European Union or State authorities to the Work performance sites, production units and other similar sites, as well as shall provide them with all such information and documents that they will need, in order to perform their duties pursuant to provisions, that are equivalent to those that are available to the Employer and the Engineer.</p> <p>The Contractor shall be responsible for construction activities that they perform at the Work performance site, and they must coordinate their activities with those of other subcontractors to the extent prescribed in the Employer’s requirement (if specified), as well as in line with the Engineer’s instructions.</p> <p>To the maximum extent possible, the Contractor shall coordinate their activities with those of another contractor, who takes part in the Project implementation, in order to avoid any delays, postponing of Works or other hindrances. Should any obstacles arise that prevent the Contractor or other contractors, who take part in the Project implementation, from timely or duly performance of Works, the Contractor shall promptly inform the Engineer and the Employer about it. If the Contractor fails to fulfil their duties in coordinating their activities with other contractors, who take part in the Project implementation, fails to promptly notify the Engineer and the Employer of obstacles that have arisen, it shall be deemed that the Contractor has infringed upon the co-operation duty specified herein, and they will have to compensate for all losses incurred to the Employer.</p> <p>If the Contract prescribes that the Employer must transfer for the Contractor's use any foundations of a structure, a structure, equipment or means of access,</p>

	pursuant to the Contractor's documents, then the Contractor shall provide the Engineer with such documents within a term and in compliance with procedures established in the Employer's requirements.
4.7 Setting-out	<p>The Contractor shall fix building lines and set out the Works according to the initial reference points, lines and levels specified in the Contract or by the Engineer. The Contractor shall be responsible for accurate setting out of all parts of Works and must rectify any errors of setting out, levels, dimensions or setting out procedure.</p> <p>The Contractor is responsible for any errors occurring in the specified or defined reference points, and, before their use, the Contractor must invest every effort to verify their accuracy.</p>
4.8 Safety procedures	<p>In planning and performing the Works, the Contractor must take into account that, throughout the entire Contract performance period (incl. the period of performing construction works), continuous use of the existing railroad infrastructure objects (incl. those to be reconstructed) is envisaged, and, among other things, the Contractor must plan and perform the Works in a way that, throughout the entire Contract performance period (incl. the period of performing construction works), safe, harmless and continuous use, operation of the existing railroad infrastructure objects (incl. those to be reconstructed) is ensured (incl., but not limited to cargo, passenger transport needs). Isolated, short-term interruptions in the use, operation of the said railroad infrastructure objects must be planned and agreed upon in advance pursuant to the Contract and the Applicable Law.</p> <p>Furthermore, it is envisaged to use the railroad infrastructure objects to be constructed anew and reconstructed, before they are (permanently) commissioned, therefore, in planning and performing the Works, the Contractor must envisage that it will be necessary to ensure temporary commissioning of Work Sections or the relevant works in order to perform the Contract, and it is the Contractor's duty to timely ensure temporary commissioning of all relevant Work Sections (i.e. all such Sections or parts thereof), which, pursuant to the Applicable Law, may be temporarily commissioned.</p> <p>The Contractor undertakes:</p> <ul style="list-style-type: none"> (a) to observe all relevant safety measures; (b) to take care of the safety of all persons who are entitled to be present at the Work performance site; (c) within its limits, to prevent the presence of unnecessary obstacles at the Work performance site, in order to avoid subjecting these persons to risks; (d) to ensure fencing, lighting, security and surveillance of Works until they are completed and accepted pursuant to Clause 10 [<i>Taking Over of Works</i>]; and (e) to perform any Temporary Works (incl. setting up roads, pavements, guard posts and fences), which might be necessary due to the Work performance for the needs and safety of public and owners and residents of adjacent territories; (f) to ensure that the Contractor, their employees and Subcontractor's employees observe and comply with requirements established in the

	<p>Applicable Law and the Contract as regards labour safety (labour protection requirements, incl. while performing construction works) and health, fire safety, environmental protection, electric safety and hygiene, and to ensure lawful and safe performance of Works in accordance with the Contract;</p> <p>(g) to undertake, observe and fulfil the duties of a labour protection coordinator as prescribed in the Applicable Law, as well as to observe and meet all labour protection requirements established in the Applicable Law throughout the Project implementation period;</p> <p>(h) to organise and ensure safe movement of mechanical vehicles and other moving mechanisms at the Work performance site, as well as in the adjacent territories, insofar as it is necessary for safe and adequate fulfilment of Works. The Contractor shall, during the Contract validity period, organise traffic with mechanical transport pursuant to traffic regulations in the respective transportation sector. The Contractor shall be held responsible for the organisation of safe traffic of all types of own, Subcontractor's and their rented vehicles at the Work performance site, as well as in the adjacent territories, insofar as it is necessary for safe and adequate fulfilment of Works;</p> <p>(i) to study the evacuation plans, emergency prevention and liquidation plans and measures already existing at the Work performance sites and to be observed in emergencies, as well as to develop, update, harmonise, observe and fulfil any such plans, parts thereof, pursuant to the Applicable Law, the Contract and the Engineer's instructions;</p> <p>(j) to ensure that all tools, mechanisms, scaffolding, ladders, lifting equipment, power tools and mechanical tools, instruments etc. are in good operating condition, are used according to the safety regulations of use, and are kept safe;</p> <p>(k) to not leave unfinished or partly finished work in unsafe conditions, which can hinder safe working, damage Goods or endanger health or life;</p> <p>(l) to suspend ongoing works until a time when such circumstances, which endanger safe use of Goods, railroad infrastructure, safety or health, are prevented. Works must also be suspended until such time when the respective circumstances are prevented, if the natural circumstances prevent safe performance thereof. The Contractor shall notify the Engineer and the Employer on the same day in writing about interruptions of Works and their causes. Such interruptions, suspension of Works or parts thereof and/or such written notifications as such do not constitute grounds for raising claims by the Contractor against the Employer (incl., but not limited to, about extensions of interim deadlines, deadline of the Work, parts thereof; compensations to the Contractor), except for cases, when the Engineer decides otherwise upon receiving the Employer's opinion. Irrespective of the reasons of interrupting, suspending the Works, parts thereof, if, in each of such cases, they do not exceed 3 (three) working days, the Contractor has no rights to raise any Contractor's claims against the Employer (incl., but not limited to, about extensions of interim deadlines, deadlines of the Work, parts thereof; compensations to the Contractor);</p> <p>(m) without prior written consent of the Employer and the Engineer, not to enter into work contracts or other contracts with the Employer's personnel, the Engineer, their personnel, and not to use the Employer's personnel, the</p>
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	<p>Engineer, their personnel for the performance of Contractor’s obligations under the Contract or for any other reasons. Failure to comply with or the infringement of the present clause shall be deemed a material breach of the Contract, and the Employer shall be unilaterally entitled to terminate the Contract in line with procedures established therein;</p> <p>(n) to promptly inform the Employer and the Engineer about any accident, traumas or incidents, or about losses inflicted upon the Employer, the Engineer, their representative, employee, property or third parties.</p> <p>The Contractor guarantees that, in the Works or in relation to the Works:</p> <ul style="list-style-type: none"> (a) They have not used or have not permitted the use, or has stated and will not use, or has not stated for use or for the permission to use; (b) They shall promptly inform the Engineer in writing, if it becomes known to the Contractor or if there are grounds to consider or believe that the following have been or will be used, are used; <p>any prohibited Goods, incl. Materials or Equipment that are not permissible (incl. are prohibited) pursuant to the Applicable Law, relevant technical and other standards.</p> <p>Upon a request, the Contractor shall provide the Employer and such persons designated by the Contractor with a confirmation that such Goods, incl. Materials or Equipment, have not been used in the performance of Works, a part thereof neither at nor beyond the Work performance sites.</p> <p>Should the Contractor fail to observe the requirements specified in this subparagraph, the Employer is entitled to impose and the Contractor shall undertake to pay a contractual penalty to the Employer in the amount of EUR 2000.00 (two thousand euros, 00 cents) per each detected violation.</p>
<p>4.9 Quality assurance</p>	<p>Pursuant to the Applicable Law, the Engineer’s instructions and the Employer’s requirements, the Contractor must introduce a quality assurance system, in order to ensure clear conformity with the Contract requirements. The system must correspond to the description stipulated in the Contract. The Engineer is entitled to examine any element of this system.</p> <p>Descriptions of all procedures and documents confirming compliance shall be submitted to the Engineer accordingly for information or approval, before starting any designing or Work performance stage. When submitting any document of technical nature to the Engineer, it must bear the Contractor’s own approval.</p> <p>The use of a quality assurance system does not release the Contractor from the fulfilment of any obligations, commitments or liabilities prescribed in the Contract.</p>
<p>4.10 Site data</p>	<p>The Employer, within the framework of the Procurement and in the Employer’s requirements, has duly informed the Contractor of all relevant information at the disposal of the Employer regarding underground and hydrological conditions at the Work performance site, including environmental aspects. The Contractor may not assume that the information provided by the Employer to the Contractor regarding the underground and hydrological conditions at the</p>

Work performance site, incl. the environmental aspects, is complete, accurate and free of errors. The Contractor is not only responsible for the interpretation of this information, but the Contractor must also, in a timely manner and using own resources and funds, obtain all the necessary information regarding risks, coincidences and other circumstances that might influence or affect the Tender or the Works. To the same extent, it is assumed that the Contractor has viewed and examined the Work performance site, its vicinity, the aforementioned data and other available information and, before submitting the Tender, has achieved satisfactory results as regards all material matters, including (but not limited to) about the following:

- (a) the form and nature of the Work performance site, as well as about underground conditions,
- (b) hydrological and climate conditions;
- (c) the scope and contents of works and Goods necessary for the performance and completion of Works and remediation of any defects;
- (d) the Applicable Law, procedures and methods of employing workforce in the State, and
- (e) the Employer's requirements as regards access, settling in, equipment to be used, personnel, energy, transport, water and other services.

Within the framework of Work performance, the Contractor must, in a timely manner, independently, using own resources and funds, ensure:

- (a) the performance of all recommended, required (incl., new, repeated, additional) surveys, including engineering-topographical, geotechnical and hydro-meteorological survey, as well as surveys of other types (incl., but not limited to surveys arising from the Employer's requirements), in order to ensure proper and timely fulfilment of Works in full;
- (b) obtaining and examining information and documentation available in archives, incl., obtaining and examining technical documents of existing overpasses, bridges and other structures possibly affected by the Work performance;
- (c) inspection, analysis and assessment of all technical parameters, including the stipulations about technical parameters from prior surveys;
- (d) inspection, analysis and assessment of requirements for Work performance established in the Employer's provided surveys, opinions and other information, as well as performance of further, more detailed surveys.

The Contractor has, at his own risk and independently, assessed all (incl. potential) circumstances that refer to the Work performance site and the progress of Works therein. The Contractor shall be fully, without exception, responsible for the fulfilment of all works or the performance of the necessary measures in relation to geotechnical, hydrological, climate and physical conditions at the Work performance site, including, but not limited to, any natural or man-made obstructions above and under ground, and including, but not limited to, any environmental pollution and works required for the remediation thereof, as well as other circumstances that affect or could affect

	the Work performance site, the progress of Works at the Work performance site and in any parts thereof.
4.11 Sufficiency of the Accepted Contract Amount	<p>The Contract is a contract of capped final amount, where, under no circumstances, the Contract Price may be exceed the Accepted Contract Amount, and, in determining the Accepted Contract Amount, the Contractor shall confirm that:</p> <p>(a) the Contractor has fully ascertained the correctness and sufficiency of the Accepted Contract Amount; and</p> <p>(b) the Contractor has determined the Accepted Contract Amount, based on the data received within the Procurement and based on independently obtained data, explanations, necessary information, inspections, surveys and all those relevant matters that are stipulated in the Contract, incl. its Sub-Clause 4.10 [<i>Information about the Work performance site</i>], as well as other information material to the Project implementation; and</p> <p>(c) the Contractor, in determining the Accepted Contract Amount, has, independently and at his own risk, checked or has, independently, at his own risk, made assumptions that all data received within the Procurement from the Employer, along with explanations, information and all relevant matters, and other information relevant for the Project performance is fully sufficient, in order for the Contractor to fully complete all Works to the extent and within deadlines specified in the Contract and to remedy any defects therein.</p> <p>The Accepted Contract Amount includes all of the Contractor’s commitments under the Contract (including those referable to Temporary amounts, if any) and all amounts required for adequate design, performance and completion of Works and remediation of any defects.</p>
4.12 Unforeseeable physical conditions	<p>The Contractor must obtain all the necessary information and data about risks, unforeseen cost commitments and other circumstances that might affect the Works. By signing the Contract, the Contractor assumes absolute responsibility for foreseeing all complications and costs, in order to duly and fully perform the Works, and neither the Accepted Contract Amount nor the Contract amount can be changed, due to unforeseen complications or costs.</p>
4.13 Rights of way and facilities	<p>The Contractor must cover all costs and expenses relating to special and/or temporary rights to cross territory, which they might need, including rights to access the Work performance site, incl. the Contractor shall cover all costs, which the owners, managers of railroad infrastructure objects request to be covered by the Employer, the Contractor (his Subcontractor) during the Work performance as regards the use of the Work performance site, or which must be covered to coordinate the performance of Works with owners, managers of railroad infrastructure objects. The Contractor shall, at own risk and expense, acquire any additional equipment outside the Work performance site, which they might require for the purposes of Work performance.</p>

<p>4.14 Avoidance of interference</p>	<p>The Contractor may not, needlessly and inadequately, disturb:</p> <ul style="list-style-type: none"> (a) public order, or (b) access to all roads and pavements, as well as their use and taking up, irrespective of whether it is public or Employer’s, or another person’s property. <p>The Contractor has the duty, independently and at own risk, as well as in due time, in compliance with procedures established in the Contract and in the Employer’s requirements, to agree with the Engineer and the relevant competent persons on the disruptions envisaged hereunder.</p> <p>The Contractor shall safeguard and hold harmless the Employer against all damages, losses and expenses (including remuneration and costs for legal services) arising due to causing unnecessary or inadequate, or unharmonised disruptions.</p>
<p>4.15 Access route</p>	<p>It is assumed that the Contractor has made sure about the suitability and availability of access routes to the Work performance site. The Contractor shall, as much as possible, try to ensure that the Contractor’s vehicles or personnel do not damage any roads or bridges. This also includes the choice of adequate vehicles and correct use of roads.</p> <p>Unless the present Provisions establish otherwise:</p> <ul style="list-style-type: none"> (a) the Contractor (in mutual transactions between Parties) shall be responsible for all maintenance works, which might be necessary so that they could use the access roads; (b) the Contractor must set up all the necessary signage and directional signs along the access roads and must obtain all the necessary permits that might be required by the relevant authorities for the use of roads, signage and directional signs; (c) the Employer is not responsible for requirements that might be put forth with regard to the use of the access roads or otherwise relating thereto; (d) the Employer shall not guarantee suitability or accessibility of specific access roads; and (e) any costs incurred to the Contractor as a result of unsuitability or unavailability of access roads shall be covered by the Contractor; (f) after the completion of the relevant Works, the Contractor must restore the access roads, road links and temporary land use territories, as well as other infrastructure elements damaged by the Works. Any costs incurred as a result of these works shall be borne by the Contractor.
<p>4.16 Transport of goods</p>	<p>Unless the Particular Conditions establish otherwise:</p> <ul style="list-style-type: none"> (a) The Contractor must submit a notice to the Engineer at least 21 days before the date of delivery of any Equipment or material batch of other Goods to the Work performance site, furthermore, the Contractor must agree with the Engineer on the permissibility of such Equipment and Materials at the Work performance site in compliance with procedures established in the Contract; (b) The Contractor is responsible for the packaging, loading, transporting, receipt, unloading, storage and protection of all Goods and other objects necessary for the performance of Works; and

	<p>(c) The Contractor shall safeguard and hold harmless the Employer against all damages, losses and expenses (including remuneration and costs for legal services), originating in relation to the transportation of Goods, and the Contractor makes arrangements and pays for all claims made in this regard.</p> <p>When organising the logistics, the Contractor must duly assess the deliveries of Goods and take into account the existing and potential regional peculiarities, ordinary and potential conditions in the relevant places of origins, transportation of Goods in a way that the transportation, delivery of Goods and fulfilment of Works and the Contract is not hindered. The Contractor shall undertake, at his cost, absolutely all risks related to the transportation of Goods and timely delivery thereof at the Work performance site.</p>
<p>4.17 Contractor's equipment</p>	<p>The Contractor is responsible for all Goods, incl. the Contractor's equipment. The Contractor's equipment delivered to the Work performance site is intended for use for Work performance purposes only. The Contractor may not, without the Engineer's consent, remove any material Goods or components thereof from the Work performance site.</p>
<p>4.18 Protection of the Environment</p>	<p>The Contractor must take all the reasonably necessary measures to protect the environment (both at the Work performance site and outside it) and restrict infliction of losses and disruptions to persons and property as a result of pollution, noise and other results caused by their activity.</p> <p>The Contractor must ensure that the emissions, above ground leaks and waste water originating from their activity do not exceed the limits prescribed in the Employer's requirements and the Applicable Law.</p> <p>The Contractor has a duty, at his cost, in compliance with procedures established in the Applicable Law, to manage (incl. to obtain the necessary permits, licences and documentation) and dispose of municipal waste, construction rubble (incl. and other waste extracted, dug, excavated soil, earth) and other waste. If hazardous waste is generated or detected within the framework of Work performance, the Contractor shall, at his cost, in compliance with procedures established in the Applicable Law manage (incl. receive the necessary permits, licences and documentation) and dispose of it as well.</p> <p>If, as a result of Work performance, any objects, materials, material values must be recovered, which are not intended to be included in the Permanent works, they shall be, at the Employer's instructions and at the expense of the Contractor, be duly stored, delivered and transferred to the Employer's indicated persons at the Work performance site or outside it.</p>
<p>4.19 Electricity, water and gas</p>	<p>Except for cases stipulated below, the Contractor shall be responsible for ensuring electrical energy, water and other services necessary for the Contract performance.</p> <p>Unless it is stated otherwise, the Contractor is entitled to use such electric energy, water, gas supply and other services for the needs of Work performance that are available at the Work performance site and for which the Contractor shall independently, at his cost, make payments to the relevant service providers according to rates and costs set by the latter. The Contractor</p>

	<p>shall, at own risk and expense, acquire the equipment necessary for using these services and registering the consumption.</p> <p>The Engineer shall agree or decide on the consumption and amounts to be paid (at the said prices) for these services pursuant to Sub-Clause 2.5 [<i>Employer’s claims</i>] and Sub-Clause 3.5 [<i>Decisions</i>]. The Contractor shall pay these amounts to the Employer.</p>
<p>4.20 Employer’s equipment and free-issue materials</p>	<p><i>Reword Sub-Clause 4.20</i></p> <p>The Employer is entitled to, but does not have the obligation to supply, without compensation, the “free-issue” materials specified in the Employer’s requirements. If the Employer exercises the rights to supply the free-issue materials upon the Employer’s instruction, the Engineer shall duly propose relevant Variations pursuant to Section 13 [<i>Variations and Adjustments</i>] and the Employer shall supply these materials at their own risk and expense to the Work performance site. The Contractor must visually assess them and promptly notify the Engineer of any insufficiency, deficiencies or inconsistencies of such materials. Unless the Parties have agreed otherwise, the Employer shall promptly eliminate the said insufficiency, Defect or inconsistency. The Contractor may not demand compensation of any Costs, losses and/or lost profits, if the Employer’s rights to supply free-issue materials are exercised.</p>
<p>4.21 Progress reports</p>	<p>Unless the Particular Conditions establish otherwise, the Contractor shall prepare and submit monthly progress reports to the Engineer in six copies, in a format agreed upon with the Engineer and the Employer. The first progress report must cover the period from the date of commencement of Works until the end of the first calendar month. Thereafter, a report must be submitted every month, within 7 days from the last day of the period, to which it applies. Reporting must continue until the Contractor has completed all those works, which are specified in the Work Taking-Over Certificate as incomplete.</p> <p>Each report shall include:</p> <ul style="list-style-type: none"> (a) progress charts and detailed overviews, describing all Sections of designing, drafting of Contractor’s documents, procurement, production, delivery to the Work performance site, construction, erection, testing, commissioning and testing; (b) photographs depicting production conditions and the progress at the Work performance site; (c) as regards the production of each substantial unit of Equipment and Material — the producer’s name, the place of production, the percentage of performance and the actual or planned deadlines for: <ul style="list-style-type: none"> (i) starting the production; (ii) Contractor’s inspections; (iii) testing, and (iv) sending and delivery to the Work performance site; (d) information stipulated in Sub-Clause 6.10 [<i>Documentation of Contractor’s personnel and equipment</i>]; (e) copies of quality assurance documents, inspection results and Material certificates; (f) a list of Variations, notifications given as per Sub-Clause 2.5 [<i>Employer’s claims</i>] and notifications given as per Sub-Clause 20.1 [<i>Contractor’s claims</i>];

	<p>(g) information about labour safety record-keeping, including any data about any dangerous event and action regarding environmental aspects and public relations; and</p> <p>(h) comparison of actual and planned progress, by submitting detailed information about all events or circumstances that can jeopardise the performance of Works in compliance with the Contract, and measures that are (or will be) performed to avoid delays of Work performance;</p> <p>(i) the Contractor's information about compliance with requirements included in the Suppliers' declaration pursuant to Sub-Clause 4.26;</p> <p>(j) any amounts to be added or subtracted as per Sub-Clause 13.8 [<i>Adjustments for changes in costs</i>].</p> <p>If errors, contradictions, inconsistencies are found in the progress report or if additions, reviews, clarification etc. are needed, the Engineer shall return it to the Contractor for rectification. If the progress report has been returned, the Contractor shall undertake to rectify it and, within 2 (two) working days, return it to the Engineer, and the Engineer shall undertake to check and submit it to the Employer.</p> <p>The Employer shall sign the Contractor's respective monthly progress report after it has been accepted by the Engineer, and, after the Employer has signed these documents, they shall promptly inform the Contractor and the Engineer about it in writing.</p> <p>Should the Contractor fail to submit a progress report to the Engineer pursuant to the provisions of this clause or if the submitted report contains substantial deficiencies, the Employer is entitled to impose and the Contractor shall undertake to pay a contractual penalty to the Employer in the amount of EUR 20,000.00 (twenty thousand euros, 00 cents) per each case of failure to submit or inadequately submitted progress report. Material deficiencies of documents or reports include, but are not limited to, incorrectly indicated work scopes, inaccurate names of completed works, numbering that does not correspond to numbering in the Work scope schedules, arithmetic errors, incorrectly indicated report period, uncertified copies of enclosed documents, etc. The Engineer shall promptly inform the Employer about each Progress report that the Contractor fails to submit or submits inadequately.</p>
<p>4.22 Security of the site</p>	<p>Unless the Particular Conditions establish otherwise:</p> <p>(a) The Contractor shall be responsible for keeping out unauthorised persons from the Work performance site; and</p> <p>(b) the authorised persons include only the Contractor's personnel, the Engineer's personnel and the Employer's personnel, as well as other personnel that the Employer or the Engineer have identified to the Contractor as the Employer's other Contractors' authorised personnel at the Work performance site.</p> <p>This clause must be implemented upon agreement with the Engineer and the Employer; moreover, among other things, the Contractor shall plan and</p>

	<p>perform the Works in a way that, throughout the Contract performance period (incl. also during the period of performance of construction works), safe, harmless and continuous use, operation of railroad infrastructure objects is ensured (incl., but not limited to, for the needs of cargo and passenger transport). Among other things, in relation to the performance of obligations specified in this clause, the Engineer may give relevant instructions to the Contractor, which the latter must observe and fulfil and which do not grant the rights to the Contractor to raise Contractor's claims.</p>
<p>4.23 Contractor's operations on site</p>	<p>The Contractor must perform his operations only at the Work performance site and in any other territory, which may have become under the Contractor's management or is agreed upon with the Engineer as the Work performance territory. The Contractor shall take all the necessary precautions to ensure that the Contractor's equipment and the Contractor's personnel are present at the Work performance site and in these additional territories, and to prevent their presence in the adjacent territories.</p> <p>During the Work completion time, the Contractor must clear any unnecessary obstacles from the Work performance site and must ensure storage or removal of any Contractor's equipment or unnecessary materials. The Contractor must collect and remove all waste, debris and Permanent works that are no longer needed from the Work performance sites.</p> <p>After the Taking-Over Certificate is issued, the Contractor must collect and remove from the Work performance site and from the part of Works, to which the Taking-Over Certificate refers, all of the Contractor's equipment, unnecessary materials, waste, debris and Temporary Works. The Contractor must leave the Work performance site or a part of the Works in a tidy and safe condition. However, until the end of the Defects Notification Period, if agreed upon in writing by the Employer, the Contractor may leave those Materials at the Work performance site, which the Contractor might need for the performance of obligations established in the Contract.</p>
<p>4.24 Fossils</p>	<p>All fossils, coins, valuable or antique items, structures and other relics of geological or archaeological importance, artefacts and items found at the Work performance site shall be handed over to the Employer's control and management, and this shall not grant rights to the Contractor to make Contractor's claims. The Contractor must take relevant safety measures to prevent the removal or damaging of these finds by the Contractor's personnel or other persons.</p> <p>Upon unearthing such finds, the Contractor shall promptly notify the Engineer, who consequently instructs on further conduct. If the Contractor's Work performance is delayed and/or Costs are incurred to them, in executing these instructions, the Contractor shall submit another notification to the Engineer and, pursuant to Sub-Clause 20.1 [<i>Contractor's claims</i>], is entitled to request:</p> <p>(a) an extension of the relevant interim deadline in case of any such delay, if the performance of Works is or will be delayed, pursuant to Sub-Clause 8.4 [<i>Extension of the time for completion</i>], and</p>

	<p>(b) compensation for any such Costs, which must be included in the Contract Price.</p> <p>Upon receiving this further notice, the Engineer acts pursuant to Sub-Clause 3.5 [<i>Decisions</i>] to agree or decide on these matters.</p>
<p>Sub-Clause 4.25 Visual identity requirements</p>	<p>The Contractor must observe the following visual identity requirements:</p> <ul style="list-style-type: none"> (a) in all reports, brochures, other documents or information relating to the Works, which the Contractor prepares and submits to the Engineer and/or the Employer or any other third party or makes publicly available, the following must be included: <ul style="list-style-type: none"> (i) in the financial statement, a following reference must be included stating that the Contractor is a beneficiary of funding from the Connecting Europe Facility (CEF): “Rail Baltica project is co-financed from the funds of the Connecting Europe Facility”; (ii) (in printed materials) the following waiver is included stating that the European Union does not assume any responsibility for the contents of the published materials: “The author of this publication assumes all responsibility for it. The European Union does not assume any responsibility for how the included information might be used. A translation of the waiver in all official languages of the European Union is available on this website: https://ec.europa.eu/inea/connecting-europe-facility/cef-energy/beneficiaries-info-point/publicity-guidelines-logos (iii) The European Union flag. (b) Requirements stipulated in sub-paragraph (i) and (ii) can be fulfilled, using the following logotype: <div data-bbox="760 1157 1089 1236" data-label="Image"> </div> <p>If the Contractor decides to use the logotype included in sub-para. (b), they must ensure that the logotype elements do not get separated (the logotype must be used as a single whole) and that there is enough free space around it;</p> (c) The Contractor has the duty to observe the most up-to-date visual identity requirements established by the European Union. The Contractor has the duty to regularly keep up with changes of visual identity requirements. On the day of concluding this Contract, the requirements of visual identity are publicly available on this website: https://ec.europa.eu/inea/connecting-europe-facility/cef-energy/beneficiaries-info-point/publicity-guidelines-logos
<p>4.26 Absence of a conflict of interest and correspondence to Supplier's declaration</p>	<p>The Contractor shall implement all the necessary measures to prevent any situation of a conflict of interest, if the fair and objective performance of the Contract is jeopardised due to reasons that are related to economic interests, political or national affiliation, familial or other kinship, or other shared interests.</p>

	<p>The Employer shall be promptly notified in writing of any situation that causes or might cause a conflict of interest during the Contract performance time. The Contractor shall take all the steps and measures to rectify this situation, and the Employer shall reserve the rights to check it and give relevant instructions in this regard to the Contractor.</p> <p>During the Contract validity period, the Contractor and the Contractor's personnel may not directly or indirectly engage in entrepreneurship, financial or professional activities that might affect the performance of Works or fulfilment of other obligations prescribed in the Contract.</p> <p>The Contractor ensures full compliance with the terms and conditions included in the Supplier's declaration, enclosed in Annex 1.</p> <p>Should the Contractor fail to observe, violate or fail to meet the requirements established in the present clause, and such a decision made by a competent person has taken effect (has become incontestable), whereby a violation of requirements specified in the present clause is found, the Employer is entitled to impose and the Contractor shall undertake to pay a contractual penalty to the Employer in the amount of EUR 10,000.00 (ten thousand euros, 00 cents) per each identified violation.</p>
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<p>5. Designing</p>	
<p>5.1</p> <p>General designing obligations.</p>	<p>Reword part one of Sub-Clause 5.1 as follows:</p> <p>The Contractor shall perform and be responsible for the designing of Works corresponding to the Building project of minimum composition, the Building sketch, including Employer's corrections, which are agreed upon with the Building sketch author, and corresponding to the Employer's requirements. In the design process, the Contractor shall bear in mind that, in the Contractor's documents, it is not permissible to depart, without the Employer's consent, from the Building project of minimum composition, the Building sketch, including Employer's corrections, which are agreed upon with the Building sketch author, incl. the aesthetic intentions, and the Employer's requirements. The designing must be carried out by qualified designers, who are engineers or other professionals, who meet the criteria stipulated in the Employer's requirements (if any). Unless the Contract stipulates otherwise, the Contractor must submit to the Engineer for approval the name of all designers and Subcontractors involved in the designing, along with detailed information about them.</p> <p>Reword part two of Sub-Clause 5.1 as follows:</p>

The Contractor shall guarantee that they, the designers, Subcontractors involved in designing and construction specialists, who manage the elaboration of the respective building design, parts/sections of the respective building design, have the necessary experience and abilities. The Contractor must ensure that, until the end of the Defects Notification Period, the designers (including author supervisors) take part in meetings and negotiations with the Employer and/or the Engineer and resolve matters concerning the designing of Works. If the Contractor fails to ensure the presence and solutions of designers (including author supervisors), who manage the elaboration of the respective building design, parts/sections of the respective building design, the Employer shall be entitled to impose and the Contractor shall undertake to pay a contractual penalty to the Employer in the amount of EUR 10,000.00 (ten thousand euros, 00 cents) per each case of adequate non-fulfilment of this obligation.

Reword part three of Sub-Clause 5.1 as follows:

Before the submission of the Tender in the Procurement procedure, the Contractor has duly examined the Employer's requirements (including the designing criteria and calculations if any given) and notified the Employer of all errors and other defects found in the Employer's requirements. By submitting the Tender, the Contractor has confirmed that the answers and explanations provided by the Employer regarding all errors or other defects found in the Employer's requirements are satisfactory and that the discovered and potential errors or other defects in the Employer's requirements do not adversely affect the Work completion time and/or the Accepted Contract Price. The Contractor must duly examine the reference points stipulated in Sub-Clause 4.7 [*Allocation*]. In the period specified in the Appendix to Tender, calculated from the time of signing the Contract Agreement, the Contractor must notify the Engineer of errors found in the report items.

Add part five to Sub-Clause 5.1:

If the Employer's participation is required in the designing of Works, the Contractor must act in compliance with Sub-Clause 2.2 [*Employer's authorisation*].

Add part six to Sub-Clause 5.1:

If, during the process of Work designing, RB Rail AS issues new documents, which apply to the planning of railroad operational activity and they substantially influence Work designing, the Contractor must lodge a claim pursuant to Sub-Clause 20.1 [*Contractor's claims*], and the Employer shall act pursuant to Sub-Clause 13.1 [*Right to vary*].

<p>5.2</p> <p>Contractor's documents</p>	<p>Reword Sub-Clause 5.2 as follows:</p> <p>The Contractor's documents must consist of documents stipulated in the Employer's requirements and/or arising from the General Design Obligations and the Applicable Law, all the necessary documents to ensure compliance with regulatory requirements as regards harmonisation, and documents stated in Sub-Clause 5.6 [<i>As-built documents</i>] and Sub-Clause 5.7 [<i>Operation and Maintenance Manuals</i>], as well as other documents. The Contractor's documents must be drafted in Latvian and English. The Contractor shall draft all the Contractor's documents, as well as other documents, which are required to instruct the Contractor's personnel, pursuant to the Employer's requirements and the Applicable Law, incl. the territorial planning documents. The Employer's personnel and the Engineer are entitled to inspect the drafting of all these documents, regardless of where it is done.</p> <p>All of the Contractor's documents that must be submitted to the Engineer for review and/or to receive harmonisation pursuant to the Employer's requirements and/or for the Engineer's instruction, shall be submitted together with the following notification. Further on, within the context of this sub-paragraph, "the review period" shall mean the time period that the Engineer requires for reviewing and obtaining harmonisation.</p> <p>Unless the Employer's requirements establish otherwise or if the issue is to be agreed upon as per Engineer's instruction and the Engineer has not stated otherwise, each review period may not exceed 28 (<i>twenty-eight</i>) days from the date, when the Engineer receives the Contractor's document and the Contractor's notification. The Notification shall state that the respective Contractor's document must meet the requirements of the present sub-paragraph, is ready for review (and obtaining harmonisation, if required), as well as for use.</p> <p>The notification shall also state that the Contractor's document corresponds to all the Contract requirements or shall state the extent, to which it does not correspond to the Contract.</p> <p>During the review period, the Engineer may inform the Contractor that the Contractor's document does not meet the Contract requirements (to the stated extent). The Contractor shall correct the document, which is inconsistent with the Contract requirements, and shall submit for a repeated review (and obtaining harmonisation, if required) to the Engineer no later than within 14 (<i>fourteen</i>) days after receiving the Engineer's notification pursuant to this sub-paragraph. When the Contractor has repeatedly submitted documents, the review period restarts, and the date of repeated document submission shall be</p>
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	<p>deemed the date of document submission. The same conditions are applicable to documents submitted repeatedly as to documents submitted for the first time.</p> <p>If so instructed by the Engineer, then the Contractor shall harmonise the Master Design with RB Rail to the extent established by the Engineer. If the instructions of RB Rail and of the Engineer regarding the Master Design are contradicting, the Contractor shall promptly notify the Engineer, who shall issue binding instructions to the Contractor.</p> <p>When (as instructed) the Contractor's document is submitted to receive the Engineer's harmonisation:</p> <ul style="list-style-type: none">(i) the Engineer shall notify the Contractor that the Contractor's document has been harmonised with or without remarks, or it does not meet the Contract requirements (to the required extent);(ii) the performance of this part of Works may not be started before the Engineer has approved the Contractor's document;(iii) the Works shall be performed, based on the Engineer's approved Contractor's documents and pursuant to the Contract provisions. <p>If, during the design development or construction works, errors or inaccuracies are found in the prepared and agreed-upon construction design, the Contractor shall, in line with the Engineer's and/or Employer's instructions, introduce changes in the construction design, at his cost, to rectify errors and inaccuracies, and, if necessary, receive a new document that enables construction. The amended construction design must be entered in the Uniform Data Environment and submitted to the Engineer for harmonisation. Amendments to the construction design stipulated in this sub-paragraph shall not be deemed amendments to the Contract.</p> <p>If the Employer's Representative states that other Contractor's documents are also required, the latter shall draft them without delay, however in any case not later than before the deadline specified by the Engineer or the Employer.</p> <p>No such harmonisation, approval or review (under the present clause or otherwise) shall release the Contractor from any commitments or liability. The Employer shall be entitled to submit objections to the Contractor about deficiencies of any approved (harmonised) design documents also after the approval (harmonisation) of such design documents or any part thereof and/or after payment for them has been settled.</p>
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	<p>Decisions made about matters of Designing works at meetings organised pursuant to Sub-Clause 3.6 [<i>Meetings</i>] do not constitute the Engineer’s harmonisation or approval for the purposes of the present Sub-Clause 5.2.</p> <p>All of the Contractor’s documents are used for a single purpose only — the Project, designing and construction works, and the Contractor may not use them for any other purposes.</p>
<p>5.3 Contractor’s undertaking</p>	<p>Reword Sub-Clause 5.3 as follows:</p> <p>The Contractor shall undertake to ensure that the designing of Works, the Contractor’s documents, the performance of Works and the completed Works comply with (are accepted as per) the Applicable Law, the documents comprising the Contract, in accordance with amendments specified in the Variations, the Employer’s requirements, the binding technical and other regulations, requirements of the construction board and/or of the institution performing the function of a construction board, the State Construction Control Office, other competent authorities, performers of building expertise, and the Notified Body.</p> <p>If the designing of Works or the Contractor’s documents or the performance of Works or the completed Works do not meet the requirements of the construction board and/or of the institution performing the function of a construction board, the State Construction Control Office and/or other competent authorities and/or performers of building expertise, and/or the Notified Body, the Contractor shall remedy any inconsistencies at his cost, without incurring costs to the Employer, avoiding material departures from the Programme and without delaying the deadline for the performance of Works.</p>
<p>5.4 Technical standards and regulations</p>	<p>Reword part one of Sub-Clause 5.4 as follows:</p> <p>The Project, the Contractor’s documents, the performance of Works and the completed Works must comply with good practice of the industry, national technical standards, regulatory enactments in the field of construction and environment, regulatory enactments applicable to the making of products, and other standards specified in the Employer’s requirements that apply to the Works or are prescribed in the Applicable Law. The Contractor shall keep track of changes in the technical standards and regulations and in the Applicable Law, and during the performance of Works and upon completion thereof, the Works must meet the existing standards, regulations and the Applicable Law.</p> <p><i>Delete part two of Sub-Clause 5.4.</i></p>

	Delete “the base date” in the third part of Sub-Clause 5.4 and replace with “Contract Agreement”.
5.5 Training	Reword Sub-Clause 5.5 as follows: The Contractor must train the Employer’s specified personnel in the operations and maintenance of the Works to the extent established in the Employer’s requirement. The training must take place before the Works are taken over, and the Works shall not be deemed completed and ready for taking over, pursuant to Sub-Clause 10.1 [<i>Taking Over of the Works and Sections</i>], before the end of such training.
5.6 As-built documents	In the first sentence of part one of Section 5.6, after “shall prepare”, add “in as-built document level BIM content”.

6. Staff and labour	
6.5 Working hours	Reword Sub-Clause 6.5 as follows: On national holidays, as well as beyond the working hours stipulated in the Appendix to Tender, no work may be performed at the Work performance site, however, if it is necessary to protect life or property, and/or for the safety of Works and/or for the performance of Works and/or to prevent delay of Works, upon informing the Engineer, the Contractor may, at the Work performance site: (a) perform work on weekends and holidays; and/or (b) organise work in shifts; and/or (c) organise overtime work. The Contractor must perform urgent and unexpected works that are required or must be finished before a certain stage, to ensure the functionality of the railroad system, also on weekends and at any time of the day.

<p>6.7 Health and safety</p>	<p>Reword part two of Sub-Clause 6.7 as follows:</p> <p>The Contractor shall designate a person to perform the duties of a labour protection coordinator during the project implementation stage (the stage from the start of project implementation until the commencement of construction works), as well as the duties of a labour protection coordinator during the project implementation stage (performance of construction works) prescribed in the Cabinet Regulations No. 92 of 25 February 2003 “Labour protection requirements during construction works”.</p> <p>Reword part three of Sub-Clause 6.7 as follows:</p> <p>The Contractor shall promptly notify the competent state authorities about any accidents and shall take all the necessary measures pursuant to the Applicable Law in force in the State. The Contractor shall observe all health and safety requirements established in the Applicable Law in force in the State, and shall assume responsibility for the health and safety of all persons, who perform Works at the Work performance site. The Contractor shall provide the Engineer with detailed information about every accident, as soon as possible after it has occurred. The Contractor shall document and report on all matters that concern health, safety and welfare of people and damages inflicted upon property, for which the Engineer may reasonably request information.</p>
<p>6.8 Superintendence</p>	<p>Add a part two to Sub-Clause 6.8 as follows:</p> <p>The responsible manager of Construction Works and the labour protection coordinator must be present at the Work performance site at all times, when Works are performed. The Contractor’s quality engineer and the project manager must be present at the Work performance site during the working hours specified in the Appendix to Tender. The Contractor has the duty, if necessary and permitted under the Applicable Law, to employ several persons for each position.</p> <p>Add part three to Sub-Clause 6.8 as follows:</p> <p>The Contractor’s obligations specified hereunder are valid irrespective of On-site Supervision, which takes place pursuant to the Applicable Law. The Contractor shall observe and fulfil all lawful instructions of persons who ensure on-site supervision.</p>
<p>6.9 Contractor’s personnel</p>	<p>Reword Sub-Clause 6.9 as follows:</p> <p>The Contractor’s personnel must have relevant qualification, skills and experience in the relevant sectors or professions. The Contractor has the duty, within 14 (fourteen) days from the date of receipt of the Employer’s or the Engineer’s request, to revoke, change or ensure revocation of any person employed at the Work performance site, incl., but not limited to, a subcontractor or a person employed by a subcontractor, who:</p> <ul style="list-style-type: none"> (a) consistently perform their job duties poorly or superficially, or (b) is incompetent or negligent in the performance of duties, or

	<p>(c) fails to fulfil any of requirements specified in the Contract, or (d) consistently acts in a way that harms safety, health or environment, or (e) has forfeited the certificate of a construction specialist, or (f) has been incapacitated to work in a long term (long-term incapacity to work is such that exceeds 30 (thirty) days).</p> <p>In such case, the Contractor shall promptly designate or ensure the designation of a substitute, having relevant qualification, skills and experience.</p>
<p>6.10 Records of Contractor's personnel and equipment</p>	<p>Add part two to Sub-Clause 6.10 as follows:</p> <p>The Contractor shall ensure that the Engineer and the Employer can promptly access electronic records of personnel movement at the work site.</p>
<p>6.12 Foreign personnel and labour</p>	<p>Add a Sub-Clause 6.12 worded as follows:</p> <p>The Contractor may employ relevant, qualified and experienced personnel, who comply with the Applicable Law and the Contract provisions and are necessary for the performance of Works. The Contractor shall provide such personnel with the necessary documents (permits, visas etc.), which allow entering and working the State pursuant to national laws. During the Work performance, the Contractor shall provide translation services to the foreign employees, who do not speak the State language. The Contractor is responsible for the return of the Contractor's foreign personnel to the location, where they were hired, or to their place of residence. In case of death of any of these employees or their family members, during their stay in the State, the Contractor shall be responsible for the repatriation of remains or burial pursuant to procedures established in the Applicable Law.</p>
<p>6.13 Alcohol and drugs</p>	<p>Add a Sub-Clause 6.13 worded as follows:</p> <p>Apart from cases specified in the Applicable Law and in compliance with procedures established in the Applicable Law, the Contractor may not import, sell, exchange or in any other way distribute any alcoholic beverages and/or narcotic substances, and/or allow or permit such import, sale, gift, exchange for the part of their personnel, subcontractors, agents or employees. The Contractor shall undertake to ensure that all persons attributable to the Contractor, incl. their subcontractors, observe the aforementioned provisions.</p> <p>The Contractor shall ensure that all persons attributable to the Contractor, incl. the Contractor's personnel, employees and/or third parties, for whom the Contractor bears responsibility, during the Work performance and/or at the Work performance site, may not be under the influence of alcoholic, narcotic, toxic and/or psychoactive substances, and the Employer may inspect compliance with this Contractor's duty. Technical and other instruments (breathalysers, etc.) can be used to test inebriation or intoxication with psychoactive substances. Should the Contractor fail to observe the requirements specified in this subparagraph, the Employer is entitled to impose and the Contractor shall undertake</p>

	to pay a contractual penalty to the Employer in the amount of EUR 2000 (two thousand euros, 00 cents) per each case of inconsistency/violation.
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7. Plant, Materials and Workmanship	Reword Clause 7 as follows:
7.1 Manner of execution	<p>The Contractor shall carry out the making of equipment, production and making of Materials, as well as other Works:</p> <ul style="list-style-type: none"> (a) in the manner specified in the Contract; (b) skilfully and with due care in compliance with recognised good practice; and (c) using adequate equipment and harmless Materials, unless it is otherwise established in the Contract. <p>The Contractor shall assume full responsibility for the abilities and reliability of his suppliers and sub-contractors to perform Works / render services prescribed in the present Contract.</p> <p>The Contractor shall duly agree on the Plant and Materials, their specifications (the said applies to any and all Materials, Plant, the harmonisation whereof is requested by the Engineer, incl. those Materials, Plant that are specified in the Employer's requirements, and those listed in the Contractor's tender) with the Engineer and receive the Engineer's approval for their use in the Work performance, and the Goods used in the Work performance must correspond to the following requirements specified in paragraphs (a)-(c):</p> <ul style="list-style-type: none"> (a) the country of origin of all materials, equipment, instruments etc., which are acquired for the performance of Works, can be any state, except for those, from which import is prohibited pursuant to the decision of the UN Security Council issued pursuant to Section VII of the UN Charter. All materials must be new; (b) it is not allowed to change the country of origin of goods intended for imports, unless the Engineer is duly informed about it and approves it; (c) upon the Engineer's request, the Contractor shall submit the necessary certificates and other documents confirming that the Goods to be supplied meet the conditions specified in items (a) and (b) of the present sub-paragraph.
7.2 Samples	<p>To receive the Engineer's approval for the use of specific Materials within the framework of Work performance, the Contractor must provide the Engineer with samples of the following Materials and relevant information for review pursuant to the procedure established in Sub-Clause 5.2 [<i>Contractor's documents</i>] as regards the Contractor's documents:</p> <ul style="list-style-type: none"> (a) the manufacturer's samples of Materials and samples specified in the Contract, all at the expense of the Contractor, and (b) additional samples, which are defined as Variations by the Engineer. <p>Each sample must be labelled, indicating its origins and expected use in the Work performance.</p>

<p>7.3 Inspection</p>	<p>The Employer’s personnel or competent supervisory and inspection bodies and persons, as well as other persons specified by the Employer or the Engineer, at any suitable time:</p> <p>(a) must be ensured free access to all parts of the Work performance site and all territories, from which natural Materials are obtained, and</p> <p>(b) during the production, making and construction (at the Work performance site or elsewhere), must have the rights to inspect, examine, measure and test materials and Work performance quality, as well as assess the progress of making Equipment and producing and making the Materials.</p> <p>The Contractor shall guarantee all opportunities to the Employer’s personnel to perform such measures, including ensuring access, availability of equipment, permissions and safety equipment. None of these measures release the Contractor from any obligations or liability.</p> <p>The Contractor shall notify the Engineer, as soon as any work is completed, before it is covered up, set up beyond the boundaries of visibility, or packaged for storage or transport. Then the Engineer shall, without undue delays, perform a visitation, inspection, measuring or testing, or shall promptly notify the Contractor that they will not perform these measures. If the Contractor has not submitted such notification, then they, upon the Engineer’s request, if any, must, at his cost, uncover the respective work or unpack it, and then reinstate the necessary format.</p>
<p>7.4 Testing</p>	<p>This sub-paragraph applies to all tests specified in the Contract, excluding inspections post Taking-Over of Works (if any).</p> <p>The Contractor shall ensure all hardware, support, documents and other information, electricity, equipment, fuel, consumables, instruments, workers, materials and duly qualified and experienced employees, necessary for effective performance of the intended inspections. The Contractor shall agree with the Engineer on the time and place of testing Materials or other parts of Works.</p> <p>The Engineer is entitled, pursuant to Clause 13 [<i>Variations and Adjustments</i>], to change the planned place or process of inspections or to give instructions to the Contractor to perform extra inspections. If the changed or additional inspections reveal that the inspected Plant, Materials or Workmanship are inconsistent with the Contract, the costs of these Variations must be covered by the Contractor, irrespective of other Contract provisions.</p> <p>The Engineer shall notify the Contractor of his intentions to be present at the time of testing at least 24 hours before the testing takes place. If it is prescribed in the Applicable Law, the Engineer must be present and participate at the time of testing. If the Engineer has not arrived to the specified location at the specified time, but the Applicable Law prescribes that the Engineer must be present and must participate in the testing, the Contractor shall postpone the testing and agree on a different time with the Engineer, when the latter must be present and participate in the testing. If the Engineer has not arrived to the specified location at the specified time (provided that the performance of said testing in the absence of the Engineer is not prohibited by the Applicable Law),</p>

	<p>the Contractor may start testing, unless the Engineer has established otherwise, and it is assumed that testing is done in the presence of the Engineer.</p> <p>If the Contractor’s Work performance is delayed and/or Costs are incurred to them, in executing these instructions, for which the Employer is responsible, the Contractor shall submit a notification to the Engineer and, pursuant to Sub-Clause 20.1 [<i>Contractor’s claims</i>], is entitled to request:</p> <p>(a) an extension of the relevant interim deadline in case of any such delay, if the performance of Works is or will be delayed, pursuant to Sub-Clause 8.4 [<i>Extension of the time for completion</i>], and</p> <p>(b) compensation for any such Costs that include reasonable profit and that must be included in the Contract Price.</p> <p>Upon receiving this notice, the Engineer acts pursuant to Sub-Clause 3.5 [<i>Decisions</i>] to agree or decide on these matters.</p> <p>The Contractor shall, without delay, submit duly certified test reports to the Engineer. If the inspection results are positive, the Engineer must approve the Contractor’s test certificate or issue a certificate bearing such significance. If the Engineer has not been present at the time of testing, it shall be assumed that they have accepted the reports as correct.</p>
<p>7.5 Rejection</p>	<p>If, as a result of an inspection, testing or measurement, it is found that any Equipment, Materials, parts of the project or Workmanship are incomplete or is otherwise inconsistent with the Contract provisions, the Engineer is entitled to reject this Equipment, Materials, part of the project or Workmanship, by submitting a notification to the Contractor, where the reasons of such conduct are specified. In such case, the Contractor shall promptly remedy this deficiency and ensure the consistency of the rejected component with Contract requirements.</p> <p>If the Engineer requests repeated testing of this Equipment, Material, part of the project or Workmanship, testing shall be done in compliance with aforementioned provisions. If rejection or repeat testing causes extra costs to the Employer, the Contractor shall reimburse those costs pursuant to Sub-Clause 2.5 [<i>Employer’s claims</i>].</p>
<p>7.6 Remedial work</p>	<p>Irrespective of any previously performed inspection or approval, the Engineer may give instructions to the Contractor:</p> <p>(a) to remove from the Work performance site and replace any Equipment or Materials that are inconsistent with the Contract requirements;</p> <p>(b) to dismantle and perform any works anew, if they are inconsistent with Contract requirements, and</p> <p>(c) to perform any work that is urgent and necessary for the safety of Works due to an accident, unexpected event or any other reason.</p> <p>The Contractor shall observe the given instructions within a reasonable time period, which is specified in instructions or without delay, if the work is specified as urgent pursuant to sub-paragraph (c).</p> <p>If the Contractor fails to observe these instructions, the Employer may hire other persons to perform that work. Except for the extent, to which the Contractor has been entitled to receive payment for this work, the Contractor,</p>

	pursuant to Sub-Clause 2.5 [<i>Employer's claims</i>], cover all costs that the Employer has incurred due to the non-fulfilment of such instructions.
7.7 Ownership of equipment and materials	<p>Each unit of Equipment and Materials, to such extent as is not contrary to legal provisions of Applicable Law in the State, shall become the Employer's property without the rights to pledge it and otherwise encumber it, on the earliest of the following dates:</p> <p>(a) when it is built in, integrated in the Work performance site.</p> <p>The risk of loss, damage and destruction of Works, Plant and Materials (incl., risk of accidental loss), irrespective of any payments performed pursuant to the Contract, shall be transferred to the Employer on the date, when both Parties have signed the Taking-Over Certificate of all Works. Until then, the Contractor shall take due care of property they are entrusted with and shall assume all risk (incl. material responsibility) for the risk of loss, damage and destruction of Works, Plant and Materials (incl., the risk of accidental loss).</p>
7.8 Stamp duties and tax	<p>Unless the Employer's requirements establish otherwise, the Contractor shall pay all dues and taxes, rents and make all other payments for:</p> <p>(a) natural Materials obtained outside the Work performance site, and</p> <p>(b) removal of materials from the sites of dismantling structures and excavations, and of other excess materials (natural or artificial), excluding materials that are delivered to areas within the Work performance site specified in the Contract.</p>

8. Commencement, delays and suspension	
8.1 Commencement of works and commencement and performance of Sections	<p>Reword part one of Sub-Clause 8.1 as follows:</p> <p>Unless the Engineer (or, if not yet hired, then the Employer's Representative) has established a longer term, the Contractor shall start Works no later than within 7 (<i>seven</i>) days after the Contract takes effect.</p> <p>The First Section and the Second Section of Works shall be completed by the Contractor not later than within the time specified in the Annex to the Tender defined for the implementation of the First and Second Sections.</p> <p>Add part three to Sub-Clause 8.1 as follows:</p> <p>The Third Section of the Works shall be performed by the Contractor following the issue of a separate written instruction by the Employer regarding the execution of the Third Section. The Contractor shall, after the issue date of such the Employer's instruction, commence the execution of the Third Section Works within 3 (<i>three</i>) months and shall complete them within 27 (<i>twenty-seven</i>)</p>

	<p>months, counting from the issue date of the Employer’s instruction regarding the execution of the Third Section.</p> <p>Add part four to Sub-Clause 8.1 as follows:</p> <p>The Fourth Section of the Works shall be performed by the Contractor following the issue of a separate written instruction by the Employer regarding the execution of the Fourth Section. The Contractor shall, after the issue date of such the Employer's instruction, commence the execution of the Fourth Section Works within 2 (two) months and shall complete them within 18 (eighteen) months, counting from the issue date of the Employer’s instruction regarding the execution of the Fourth Section.</p> <p>Add part five to Sub-Clause 8.1 as follows: The Employer is entitled to issue the instruction regarding the execution of the Third Section: (1) at any time from the effective date of the Contract, but not later than until 30 September 2021; or (2) after 1 January 2022 and not later than until 31 December 2023.</p> <p>The Employer is entitled to issue the instruction regarding the execution of the Fourth Section after 31 December 2022 and not later than until 31 December 2023.</p>
<p>8.2 Time for completion</p>	<p>Add part two to Sub-Clause 8.2 as follows:</p> <p>If the Contract does not set a specific term, within which the Contractor must fulfil works or obligations they are entrusted with, the Contractor must complete them within the Employer’s or Engineer’s set term that is not longer than 7 (<i>seven</i>) days after the date, on which the Employer or the Engineer requested to perform works or obligations. The Parties may also agree in writing on any other term for the performance of works or obligations, if such time period can clearly be inferred from regulatory enactments or the context of the Contract.</p>
<p>8.3 Programme</p>	<p>Reword Sub-Clause 8.3 as follows:</p> <p>The Contractor shall provide the Engineer, pursuant to Sub-Clause 8.3.1 [Programme for designing], with a detailed work programme of engineering surveys, designing activities and main construction works activities (Programme for designing), and, pursuant to Sub-Clause 8.3.2 [Programme for construction works], a detailed programme of construction works and author’s supervision activities (Programme for construction works). For the purposes of the Contract, the Programme means the Programme for designing, the Programme for construction works, and both together.</p> <p>The Programme must contain and it may not depart from the interim deadlines specified in the Contractor’s tender annex, the final deadline of performance of all Works (the final time of performance of Works specified in the Appendix to Tender and in the Contractor’s tender (Work performance deadline), as well as the completion time of each Section (Section performance deadline or interim</p>

deadline of Work performance), in any case may not exceed the final time of Work performance specified in the Employer's requirements (Work performance deadline), as well as the completion time of each Section (Section performance deadline)) and the sequence of performance of Works.

The Contractor shall also submit a corrected Programme, if the previous Programme does not correspond to the actual progress or is inconsistent with the Contractor's obligations.

The Engineer may, at any time, reject any part of the Programme or the entire Programme, if, pursuant to the Programme:

- (a) the performance of the Works hinders or delays ongoing or planned activity at the Work performance site; or
- (b) the performance of the Works, pursuant to the Programme, would endanger the surrounding nature, environment, the Employer's or third party property; or
- (c) the Employer or the Engineer finds that the Works, the performance whereof is planned during the time of restricted driving speed, require Traffic disruptions or such Works, the performance whereof is planned during Traffic disruptions, cannot be completed until the end of such Traffic disruption.
- (d) it includes incorrect information and/or some information is omitted and/or its practical implementation in the specified time periods is infeasible.

If the Engineer declares to the Contractor at any time that the agreed-upon Programme (to the specified extent) does not meet the Contract requirements or if any of the reasons for rejecting the Programme exist, or if it is inconsistent with the actual progress and the Contractor's set objectives, the Contractor shall submit an adjusted Programme to the Engineer within 14 days.

Unless the Engineer, within 21 days from the receipt of each Programme, incl. previously rejected or amended Programme, does not submit a notification to the Contractor stating the extent, to which such programme does not correspond to the Contract requirements, the Contractor shall act pursuant to the programme, by observing all other obligations established in the Contract. The Engineer's agreement or failure to raise objections shall not release the Contractor from Contract obligations or liabilities. The Employer's personnel is entitled to rely on the Programme, in the planning of their activities. The Programme is not deemed agreed-upon, before the Engineer submits harmonisation or a notification on rejection within the 21 days.

Per each delayed deadline for the submission of the Programme for designing and/or Programme for construction works the deadline, the Employer shall be entitled to impose and the Contractor shall undertake to pay a penalty to the Employer in the amount of EUR 20,000.00 (twenty thousand euros, 00 cents) per day, however not exceeding 10 % of the Accepted Contract Amount, until the Programme for designing or the Programme for construction works is submitted. The rejection of the Programme shall not grant the Contractor an extension of

	<p>the deadline for submitting the Programme and shall not suspend the penalty for the delayed deadline for the submission of the Programme specified in the Contract, which is calculated until such time that the Engineer has agreed on it or has not raised objections about it within the term specified in the Contract. The payment of penalty shall not release from the duty to submit the Programme.</p> <p>The Contractor shall promptly notify the Engineer about specific possible future events or circumstances, which might adversely affect the work, increase the Contract Price or delay the performance of Works. The Engineer may request that the Contractor submits an assessment of predictable consequences of future events or circumstances and/or a proposal pursuant to Sub-Clause 13.3 [<i>Variation procedure</i>].</p>
<p>8.3.1 Programme for designing</p>	<p>Add a new Sub-Clause 8.3.1. Programme for designing:</p> <p>The Contractor shall, within 28 days from the date of commencement of Works, provide the Engineer with a Programme for designing, which is a highly specified schedule of designing activities and the schedule of key construction works activities.</p> <p>The Programme for designing:</p> <ul style="list-style-type: none"> (a) must include detailed sequence of Works and mutual interconnection, the time-scales and deadlines for the performance of Works, reflecting how and when the Contractor is planning to perform Works, including the Contractor’s document preparation and harmonisation with the Employer, the Engineer and other stakeholders, the obtaining of the necessary permits, remarks and harmonisations, procurement of materials, making of equipment at a factory, delivery of materials and equipment to the Work performance site, construction works, testing, commissioning; (b) as regards the designing works, must be presented at a high level of detailing of designing activities, including the division of activities of designing works for each specific part of buildings and structures, as well as a detailed elaboration of each individual designing activity. (c) as regards the designing works, must include the level of detailing by working days (excluding weekends), whereas as regards the construction works, the level of detailing must be in calendar weeks. (d) must accurately and comprehensively reflect the interconnection and link between the Contractor’s Works and other contractors and persons involved in the Project, by specifying the time periods and terms of co-operation necessary for the performance of Works of other contractors and persons involved in the Project. (e) Must include time periods for review and harmonisation, pursuant to Sub-Clause 5.2 [Contractor’s documents], as well as any other review and harmonisation, pursuant to the Employer’s requirements and the Applicable Law.

	<ul style="list-style-type: none"> (f) Must include all surveys required for designing works, their sequence, time periods and deadlines. (g) Must include visitations, inspections, pre-acceptance inspections and tests, their sequence, time periods and deadlines as prescribed in the Contract and in the Applicable Law. (h) Must include time periods and deadlines for obtaining any harmonisations, permits and remarks from third parties, incl. from state and municipal authorities, incl., to receive building permits. (i) Must include time periods and deadlines for each expertise arising from or required as per Applicable Law, including, but not limited to, expertise of construction designs, verification of the Notified Body. (j) Must include a comprehensive explanatory notification, which includes: <ul style="list-style-type: none"> (i) A description of Contractor’s methods used in the Works, as well as application of these methods in designing and performance of construction works. (ii) The number of the Contractor’s administrative personnel, construction specialists (engineers, designers and other regulated professions) and construction site workers (indicating specialisation) and the number of each type of Contractor’s equipment (mechanisms), which the Contractor deems necessary to perform the Works pursuant to the Programme and to complete without delays. (iii) A list of consultants involved in designing and the organisation structure of the design team (iv) A proposal for design works to assess progress, according to which, during the designing, the correspondence of the progress of works to the Programme for designing will be assessed. (v) Each company (entity) that is in charge of a specific part of designing works (names of sub-contractors and authorised representatives, sub-contractor contracts that have been or must be concluded). <p>The Programme for designing must be drafted, using the BIM (Building Information Modelling) system.</p>
<p>8.3.1 Programme for construction works</p>	<p>Add a new Sub-Clause 8.3.2. Programme for construction works:</p> <p>The Contractor shall provide the Engineer and the Employer with a detailed Programme for construction works, which is a detailed time schedule of construction works and copyright works no later than within 90 (ninety) days before the commencement of construction works to be performed within the Works at the Work performance site in accordance with the Programme for designing.</p> <p>The Programme for construction works:</p> <ul style="list-style-type: none"> (a) Must include a detailed order and sequence of how the Contractor plans to perform the Works. The Programme for construction works must be

	<p>presented in a high level of detailing, including a division of construction works activities for each part of buildings and structures, as well as a detailed elaboration of each construction works activity.</p> <ul style="list-style-type: none"> (b) Must have a level of detailing by working day (excluding weekends). (c) Must include the review periods as per Sub-Clause 5.2 [<i>Contractor's documents</i>] and any other deadlines for submitting documents and obtaining harmonisations and approvals specified in the Employer's requirements. (d) Must accurately and comprehensively reflect the interconnection and link between the Contractor's Works and other contractors and persons involved in the Project, by specifying the time periods and terms of co-operation necessary for the performance of Works of other contractors and persons involved in the Project. (e) Must include author's supervision works, visitations, inspections, pre-acceptance inspections and tests, their sequence, time periods and deadlines as prescribed in the Contract and in the Applicable Law. (f) Must include deadlines for obtaining harmonisations and approvals from all the relevant third parties, incl. state and municipal institutions and deadlines for commissioning of buildings. (g) Must include precise time periods, when the public infrastructure, i.e. roads and streets, as well as other areas of public use are used for Works, by specifying accurate boundaries of public infrastructure to be used. (h) Must include a comprehensive explanatory notification, which includes: <ul style="list-style-type: none"> (i) A detailed description of methods to be used by the Contractor. (ii) Graphic weekly depiction of areas at the Work performance site, where construction works will take place. (iii) A list of necessary Traffic disruptions, which must be agreed upon with the Employer and the Engineer before the submission of the Programme for construction works pursuant to the present subparagraph. (iv) Detailed schedules and lists, specifying the following by weeks: <ul style="list-style-type: none"> (1) The number of the Contractor's administrative personnel, construction specialists (engineers, designers and other regulated professions) and the construction site workers (indicating specialisation), who will be at the Work performance site (2) the number of each type of Contractor's equipment (mechanisms), which will be at the Work performance site (3) a detailed plan of procurements and deliveries, for each logical part of construction works and a harmonisation plan thereof, samples of materials and, if necessary, a plan of harmonising mock-ups, a plan of selecting and agreeing upon subcontractors and suppliers, a plan of deliveries of materials to the construction site. (v) A proposal for construction works to assess progress, according to which, during the construction works, the correspondence of the
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	<p>progress of works to the Programme for construction will be assessed.</p> <p>(vi) Each company (entity) that is in charge of a specific part of construction works (names of sub-contractors and authorised representatives, sub-contractor contracts that have been or must be concluded).</p> <p>The Programme for construction works must be drafted, using the BIM (Building Information Modelling) system.</p>
<p>8.4 Extension of time for completion</p>	<p>Add a new sub-paragraph (f) to the first paragraph of part one of Sub-Clause 8.4.</p> <p>(f) the impact of any natural forces that could not have been predicted and with regard to which it could not have been expected that an experienced Contractor would have taken relevant preventive steps.</p> <p>Add new parts to Sub-Clause 8.4:</p> <p>The Contractor shall not be granted an extension of the completion time, if the Contractor’s resources (personnel, mechanisms, etc.) before the notification to the Engineer pursuant to Sub-Clause 20.1 [<i>Contractor’s claims</i>] were smaller and/or the rate of Works slower that established in the Programme, which was developed in compliance with Sub-Clause 8.3 [<i>Programme</i>].</p> <p>The Engineer, pursuant to Sub-Clause 3.5 [Decisions], is entitled to extend the Performance time only in case if the term of availability of the European Union financial instrument or other funding awarded to the Employer is not extended. The Engineer may establish in the decision that the extension of the Performance time must be replaced by cash compensation, if such compensation allows the Contractor to increase the rate of Works and thereby make up for the delay in the Performance time, regarding which the Contractor has filed a claim, and the Employer has available financing for such cash compensation.</p> <p>The completion time can be extended by a time period, in which the Works or a part thereof was suspended as per Engineer’s instructions, through no fault of the Contractor, pursuant to Sub-Clause 8.8 [<i>Suspension of Works</i>].</p> <p>If, pursuant to the Applicable Law of public procurement effective in the State, the extension of the Performance time is linked to substantial changes in the Contract provisions, this extension can only be granted strictly in compliance with the effective Applicable Law.</p>
<p>8.5 Delays caused by authorities</p>	<p>Reword Sub-Clause 8.5 as follows:</p> <p>The fact that the Contractor’s works are delayed or suspended by state, municipal authorities or entities, to whom the state has delegated public functions, or legally established European Union institutions, shall not be deemed a valid reason for delay pursuant to sub-paragraph (b) of Sub-Clause 8.4, except if such delay or suspension has occurred through the fault of the Employer.</p>

<p>8.6 Rate of progress</p>	<p>Reword sub-paragraph (a) of Sub-Clause 8.6 as follows:</p> <p>(a) the actual rate of progress is too slow to ensure the completion of Works or the Section by the set Performance deadline or Section performance deadline, and/or</p>
<p>8.7 Delay damages</p>	<p>Reword Sub-Clause 8.7 as follows:</p> <p>(a) Hereby, the Parties agree that, should the Contractor fail to fulfil the stipulations of Sub-Clause 8.2 [<i>Time for completion</i>], the Employer shall be entitled to impose and the Contractor shall, pursuant to Sub-Clause 2.5 [<i>Employer's claims</i>] pay a penalty to the Employer for the failure to complete Section One, Section Two, Section Three or Section Four in the amount of 0.1 % (zero point one per cent) of the amount of the respective overdue Section (the amount of each respective Section is stated in the Contract Agreement or in any other document, whereby the respective amount is specified or changed), per each day, when the performance of the respective Section is delayed, starting from the day following the deadline of the Performance time of the respective Section, however not exceeding 10 % (ten per cent) of the amount of the respective overdue Section (the amount of each respective Section is stated in the Contract Agreement or in any other document, whereby the respective amount is specified or changed). The overdue period is calculated from the deadline of Performance time of the Section specified in the Tender Annex (or in any other document, whereby the respective deadline is specified or changed) until the date of issue of the Taking-Over Certificate of the respective Section or all Works. If the actual completion time of the Section does not correspond to the date of issue of the Taking-Over Certificate of the respective Section, then the penalty shall be calculated until the actual date of performance of the respective Section.</p> <p>(b) The Contractor shall cover all costs incurred by the Employer or the owner of Infrastructure as a result of disruptions of railroad traffic due to the Contractor's activity or negligence.</p> <p>(c) The Employer's losses shall also include losses incurred to VAS "Latvijas dzelzceļš" and enterprises forming a part of the group, as well as other third parties (passengers, cargo carriers, operators, etc.) and which the Employer as the party, for the use whereof the Work performance site was handed over, shall have to reimburse to those persons.</p> <p>(d) The Employer's losses shall also include Employer's other costs of labour, mechanisms, equipment, fuel, restoration of damaged equipment occurring due to delays in railroad traffic or as a result of damages to traffic control or other railroad infrastructure facilities or structures resulting from circumstances that are under the Contractor's control.</p> <p>(e) Likewise, the Contractor shall undertake to cover losses occurring to other Contractors, who take part in Project implementation or contractors of other projects implemented by the Employer due to the activity and/or negligence of the Contractor, as well as losses incurred to the Engineer, if the provision of Engineer's services was delayed due to circumstances under the control of the Contractor.</p>

	<p>(f) The Parties agree and confirm that the covering of losses and costs incurred to the Employer as a result of non-fulfilment or inadequate fulfilment of Contractor’s obligations specified in the Contract shall not be restricted with the total Contract Price or any other amount. The Contractor shall cover losses and other costs, which have incurred to the Employer due to the Contractor’s default, irrespective of whether or not such losses and other costs have arisen during or after the Contract performance.</p> <p>(g) If the Contractor fails to duly perform their contractual obligations pursuant to the present Contract, the Employer is entitled, without affecting other funds allocated to them pursuant to the Applicable Law of the State, by means of unilateral netting, recover losses from any amounts that the Employer must pay to the Contractor, and, if that is not sufficient, also from the Work performance guarantee submitted by the Contractor to cover all directly and indirectly occurring losses, including, but not limited to, income foregone (unearned, lost profit) and amount that the Employer will pay out to third parties for adequate fulfilment of Works, or, if the Employer decides to perform works using own capacities or by attracting third parties, all costs that have incurred to the Employer. This provision is valid irrespective of the Contract termination and other sanctions. The Employer shall inform the Contractor in writing about any unilateral nettings.</p> <p>(h) The Contractor shall cover for losses and/or penalties that any of the Parties claim, immediately, however no later than within 7 (<i>seven</i>) days after such claim, invoice or other document justifying the amount of losses and/or penalty (objections by passengers, cargo carriers, recipients, calculations of extra costs, etc.) is submitted.</p> <p>(i) If the Works or a part thereof is suspended at the Employer’s instruction, pursuant to Sub-Clause 8.8 [<i>Suspension of Works</i>] through no fault of the Contractor, no penalty is imposed for delays of performance of Contractor’s Works during the period of suspension of works pursuant to sub-paragraph (a).</p> <p>(j) Payment of penalties imposed under the present Contract shall not release the relevant Party from the due performance of obligations prescribed in the present Contract, as well as from the settlement of losses and other claims arising from the Applicable Law.</p>
<p>8.8 Suspension of Work</p>	<p>Reword Sub-Clause 8.8 as follows:</p> <p>The Engineer or the Employer may, at any time, give an instruction to the Contractor, to suspend the performance of all Works, a Section or a part thereof. During such suspension, the Contractor shall safeguard, preserve and secure this part or the Works against wear, loss or damage.</p> <p>The Engineer or the Employer may also notify the cause of suspension. If and to the extent that such causes are notified, for which the Contractor is responsible, the following Sub-paras. 8.9, 8.10, and 8.11 shall not be applied.</p>
<p>8.9 Consequences of suspension</p>	<p>Reword Sub-Clause 8.9, sub-paragraph (b) as follows:</p> <p>(b) Prior the commencement of Section One construction works, the compensation of Costs to the extent stipulated in the Contractor’s financial tender (items: costs of suspension of works for designing works and costs for the</p>

	<p>suspension of works before the commencement of construction works, and/or costs of suspension of construction works between the phases of active construction works), which must be included in the Contract Price.</p> <p>Add a new sub-paragraph (c) to Sub-Clause 8.9:</p> <p>(c) In case the construction works of Section Two, Three and Four are suspended, compensation of any Costs, which must be included in the Contract Price.</p>
<p>8.10 Payment for equipment and materials in event of suspension</p>	<p>Reword Sub-Clause 8.10 as follows:</p> <p>In the event of suspension of Works due to reasons beyond the control of the Contractor, the Contractor, observing the procedures and prerequisites specified in this Clause (8.10), shall be entitled to remuneration in the amount of 85% of the value of Plant and Materials that:</p> <ul style="list-style-type: none"> (a) have been delivered to the Works site by the date of Suspension of Works; (b) are ready for construction, have been manufactured, but not yet delivered to the Works site by the date of Suspension of Works. <p>The amount of remuneration shall be calculated in accordance with unit prices of Plant and Materials specified in the Detailed Technical Design of the accordant Works.</p> <p>The Contractor shall be entitled to remuneration referred to in this Clause (8.10) for Plant and Materials delivered to the Works site by the date of Suspension of Works if:</p> <ul style="list-style-type: none"> (a) the Contractor has submitted, within 2 (two) working days after the date of issue of the Work Suspension Order, a written list to the Engineer with exact references to unit prices specified in the Detailed Technical Design of the accordant Works; and (b) the Engineer has inspected the Plant and Materials delivered to the Works site and the Engineer has approved the list of Plant and Materials prepared by the Contractor (the Engineer shall perform inspection of the Plant and Materials delivered to the Works site within 5 working days from the date of receipt of the above list from the Contractor). <p>The Contractor shall be entitled to remuneration referred to in this Clause (8.10) for Plant and Materials that are ready for construction and have been manufactured, but not yet delivered to the Works site by the date of Suspension of Works if:</p> <ul style="list-style-type: none"> (a) the Plant and Materials have been delivered to the Works site not later than within 7 working days after the date of issue of the Work Suspension Order (unless the Plant and/or Materials are being delivered from a place from which delivery lasts more than 7 working days, and the Contractor has provided evidence to the Engineer that the Plant and/or Materials have been shipped not later than within 5 working days after the date when the Employer issued the Work Suspension Order); and (b) the Contractor has submitted, within 7 working days from the date of issue of the Work Suspension Order, a written list to the Engineer of Plant and Materials that were ordered, prepared for construction works, manufactured and

	<p>delivered to the Works site by the date of Suspension of Works, with precise references to unit prices specified in the Detailed Technical Design of the accordant Works. Regarding units of Plant and Materials that will be delivered to the Works site at a later time due to the shipping distance, the Contractor shall indicate date/s in the List when they will be delivered to the Works site, and precise value of each unit and total value; and</p> <p>(c) the Engineer has inspected the Plant and Materials delivered to the Works site and the Engineer has approved the list of Plant and Materials prepared by the Contractor (the Engineer shall perform inspection of the Plant and Materials delivered to the Works site within 5 working days from the date of receipt of the above list from the Contractor and when all Plant and Materials indicated therein have been delivered to the Works site).</p> <p>The remunerations referred to in this Clause (8.10) shall be paid only for the Plant and Materials that have been delivered to the Works site and have been indicated in the abovementioned lists of the Contractor, and that have been inspected and approved (accepted) by the Engineer. Payment for Plant, Materials delivered to the Works site, but not indicated in the accordant list of Plant, Materials prepared by the Contractor shall not be made.</p> <p>The Employer shall make the payment for Plant and Materials for which the Contractor is entitled to remuneration under this Clause (8.10) at the end of the month when the 87 day period from issue of the Work Suspension Order ends, based on an Invoice issued by the Contractor and approved by the Engineer.</p> <p>In any case and regardless of receipt of the remuneration, responsibility for the Plant and Materials delivered to the Works site and any risks, including the risk of accident, regarding the Plant and Materials shall remain to the Contractor until taking over of the accordant Work Stage in accordance with Clause 10.1.</p>
<p>8.10.A Equipment and Tools During Suspension of Works</p>	<p>To supplement with a new Clause 8.10.A “Equipment and Tools During Suspension of Works” in the following wording:</p> <p>In the event of suspension of Works due to reasons beyond the control of the Contractor, the Employer shall cover to the Contractor costs for equipment and tools specified in this Clause (8.10.A), observing the following provisions:</p> <p>(a) the Contractor shall submit, within 3 working days after the date of issue of the Work Suspension Order, a written list to the Engineer of equipment and tools that are at the Works site when the Works are suspended.</p> <p>(b) the Engineer shall establish which of the equipment and tools specified in the list of the Contractor shall remain at the Works site during Suspension of Works and which shall be removed from the Works site for the period of Suspension of Works.</p> <p>(c) the Employer shall only cover the costs of idle time of equipment and tools that, according to the instructions of the Engineer, must remain at the Works site during Suspension of Works. The amount of remuneration specified here shall be calculated in accordance with unit prices of the accordant equipment and tools indicated in the financial offer of the Contractor.</p> <p>(d) the Engineer and the Contractor shall agree separately upon costs for removal of the equipment that must be removed from the Works site during Suspension of Works and for returning thereof to the Works site.</p>

	<p>The Employer shall make the payment for equipment and tools for which the Contractor is entitled to remuneration under this Clause (8.10.A) at the end of the month when the 87 day period from issue of the Work Suspension Order ends, based on an Invoice issued by the Contractor and approved by the Engineer.</p>
<p>8.10.B Personnel Suspension Works During of</p>	<p>To supplement with new Clause 8.10.B “Personnel During Suspension of Works” in the following wording: In the event of suspension of Works due to reasons beyond the control of the Contractor, the Employer shall cover to the Contractor personnel costs specified in this Clause (8.10.B), observing the following provisions:</p> <p>(a) the Contractor shall submit, within 1 working day from the date of issue of the Work Suspension Order, a written list to the Engineer of personnel who are present at the Works site when the Works are suspended, as confirmed by extracts from the electronic business time tracking system of the site annexed to the list;</p> <p>b) the Engineer shall establish which of the persons specified in the list of the Contractor must be available at the Works site during Suspension of Works and availability of which is not required at the Works site during Suspension of Works;</p> <p>c) during the entire period of Suspension of Works, the Employer shall cover to the Contractor the costs of personnel which, in accordance with the instructions of the Engineer under this Clause, must be available at the Works site, according to the personnel rates specified in the Tender of the Contractor for the Procurement;</p> <p>d) for personnel which is not required at the Works site during Suspension of Works, the Employer shall cover to the Consultant actual personnel costs (in accordance with documents confirming payment of such costs and taxes applicable to them, the originals of which the Contractor shall present to the Engineer) for a period of 15 working days following the date of issue of the Work Suspension Order.</p> <p>The Employer shall make the payment for personnel for whom the Contractor is entitled to remuneration under this Clause (8.10.B) at the end of the month when the 87 day period from issue of the Work Suspension Order ends, based on an Invoice issued by the Contractor and approved by the Engineer.</p>
<p>8.11 Prolonged suspension</p>	<p>Reword Sub-Clause 8.11 as follows:</p> <p>(a) If the suspension referred to in Sub-Clause 8.8 [<i>Suspension of Work</i>] lasts for more than 84 days, or, in Section One, more than 730 (seven hundred and thirty) days, the Contractor may request that the Employer authorises to continue the work. If, within 28 days from the receipt of the request, the Employer does not grant authorisation, the Contractor may, by submitting a notification to the Employer, but only if the Employer agrees to it in writing, to regard this suspension as skipping of this part of Works pursuant to Clause 13</p>

	[<i>Variations and Adjustments</i>]. If the suspension applies to all Works, the Contractor may submit a notice on termination of the Contract pursuant to Sub-Clause 16.2 [<i>Termination of Contract by the Contractor</i>].
8.13 Loss of European Union funding	Add a Sub-Clause 8.13 “Loss of European Union funding” If the Contractor fails to fulfil the Contract duly and within set deadlines, and as a result funding granted from the European Union and/or Connecting Europe Facility instrument (or from the state budget, if allocated) is lost (fully or partially), it shall be deemed Employer’s losses, which shall be covered by the Contractor, and its extent is equal to the amount of lost financing, including penalties (late fees, penalties), which the Employer should have to pay to authorities controlling the use of financial aid, if the financing is lost as a result of circumstances that are within the Contractor’s control.

9. Tests on completion	
9.1 Contractor’s obligations	Reword Sub-Clause 9.1, sub-paragraph (c) as follows: (c) trial operation, which shall demonstrate that the Works or Section perform reliably and in accordance with the Contract. Temporary use of the railroad infrastructure pursuant to the Applicable Law shall not constitute a trial run inspection.
9.2 Delayed tests	Add “or Engineer” after “Employer’s personnel” in part three of Sub-Clause 9.2.
9.4 Failure to Pass Tests on Completion	After “Section” in part one of Sub-Clause 9.4, add “does not conform with the Employer’s requirements or”. Reword Sub-Clause 9.4, sub-paragraph (b) as follows: (b) to reject Works or a Section (depending on the situation); in such case, the Employer shall receive the same remuneration as prescribed in Sub-Clause 11.4 [<i>Unremedied defects</i>], sub-paragraph (c); or Delete sub-paragraph (c) and the last part of Sub-Clause 9.4.

10. Taking-Over of Works	
10.1 Taking-Over of Works and Sections	Reword Sub-Clause 10.1 as follows: The Works consist of the following Sections, the contents of which are further defined in the Technical Specification: (a) Section One — all engineering survey and designing works; (b) Section Two — Construction and author’s supervision works of the reconstruction and improvement of the Southern part of Riga Central passenger station, commissioning thereof, as well as receipt and

performance of all other approvals, permits and verifications, and submission of all documents provided for in the Employer's requirements;

- (c) Section Three — construction of the new railroad bridge for 1435 mm gauge railway tracks of Rail Baltica in the section from Maskavas Street to Jelgavas Street, construction works and author's supervision works, commissioning thereof, as well as receipt and performance of all other approvals, permits and verifications, and submission of all documents provided for in the Employer's requirements;
- (d) Section Four — Construction and author's supervision works of the Northern part of Riga Central station, commissioning thereof, as well as receipt and performance of all other approvals, permits and verifications, and submission of all documents provided for in the Employer's requirements.

Unless circumstances envisaged in Sub-Clause 9.4 [*Failure to Pass Tests on Completion*] exist, the Employer must accept the Works of Section One, Two, Three and Four after the completion of each Section, i.e., when (i) they are completed in compliance with the Contract, including matters stipulated in Sub-Clause 8.2 [*Time for completion*]. The Certificate of Taking-Over of Section One, Two, Three and Four shall not constitute grounds for a Report on the completion of Works pursuant to Sub-Clause 14.10 [Report on the completion of Works], and shall not restrict the Employer's rights to raise objections regarding the Works of Section One, Two, Three and Four, until the issue of a Certificate of Taking-Over of all Works.

Unless circumstances stipulated in Sub-Clause 9.4 [*Failure to Pass Tests on Completion*] exist, the Employer must accept all Works after completion of all Sections (First, Second, and if the Employer has issued the instruction regarding the execution, then also Third and/or Fourth), i.e. when (i) they are finished in compliance with the Contract, including matters stipulated in Sub-Clause 8.2 [*Time for completion*] and excluding the stipulations expounded further in subparagraph (a), and (ii) a competent authority, pursuant to the Applicable Law, has issued a commissioning deed for Section Two, and if the Employer has issued the instruction regarding the execution, then also for Section Three and/or Four, and (iii) a Certificate of Taking-Over of Section One, Two, and if the Employer has issued the instruction regarding the execution, then also for Section Three and Four has been issued.

The Contractor shall request that a Taking-Over Certificate is issued for Section One, Two, and if the Employer has issued the instruction regarding the execution, then also for Section Three and Four.

The Contractor may submit an application to the Engineer asking to issue a Certificate of Taking-Over for Section One no earlier than at a time, when all remarks are made on building permits regarding the fulfilment of design conditions established therein.

	<p>The Contractor may submit an application to the Engineer with an application to issue a Certificate of Taking-Over for Section Two, Three and Four no earlier than 14 days before the date when, in the Contractor’s opinions, the Works will be completed and ready for commissioning.</p> <p>The Contractor may submit an application to the Engineer asking to issue a Certificate of Taking-Over for all Works no earlier than at a time when competent authorities have issued deeds regarding the commissioning of Section Two, Three and Four and 14 days before the date, when, in the Contractor’s opinion, all Works will be completed and ready for commissioning.</p> <p>Within 28 days after the receipt of each application from the Contractor, the Engineer shall:</p> <p>(a) issue a Certificate of Taking-Over to the Contractor, stating the date of completion of Works or of a Section pursuant to the Contract, excluding such less significant unfinished works and defects, which, in the Engineer’s opinion, will not substantially affect the use of Works or the Section for the intended purposes (until the time when or while this work is being finished and these defects are remedied);</p> <p>or</p> <p>(b) reject the request, by stating the reasoning and indicating the works, which the Contractor must complete, in order for the Engineer to be able to issue a Taking-Over Certificate. In such case, the Contractor must complete these works before lodging the next request pursuant to the present sub-paragraph.</p> <p>If the Engineer has not issued a Certificate of Taking-Over and has not rejected the Contractor’s request within 28 days, and if the Works or the Section (depending on the situation), in essence, meets the Contract requirements, it shall be deemed that the Certificate of Taking-Over is granted on the last day of the said period.</p> <p>While the less significant unfinished works and defects listed in the Certificate of Taking-Over of Works are not finished and delivered, the extent of the Contract Performance Security shall not be reduced.</p> <p>The Defects Notification Period regarding the Works of Section Two, Three and Four starts from the issue of the relevant Certificate of Taking-Over of Section Two, Three and Four. The period of guarantee of construction works prescribed in the Applicable Law shall start at the time when the Works of the relevant stage are commissioned.</p>
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<p>10.2 Taking-Over of Parts of the Works</p>	<p>Reword part four of Sub-Clause 10.2 as follows:</p> <p>The Contractor’s Costs, when the Employer accepts and/or uses a part of Works, shall be included in the Accepted Contract Amount and the Contract Price.</p> <p>Add a new part to Sub-Clause 10.2 as follows:</p> <p>The use of railroad infrastructure objects before commissioning (temporary commissioning) shall not constitute the use of a part of Works for the purposes of Sub-Clause 10.2 [Taking-Over of part of the Work] and shall not lead to legal consequences arising from the use of a part of Works.</p>
<p>10.3 Interferences with Tests on Completion</p>	<p>Delete sub-paragraph (b) of part three of Sub-Clause 10.3.</p> <p>Add a new part to Sub-Clause 10.3 as follows:</p> <p>Such circumstances shall not constitute a reason for which the Employer is responsible, for the purposes of the present sub-paragraph, when the relevant tests on completion of Works could not have been performed (fully or partially) also due to circumstances, which are fully attributable to or depend on a third party (inter alia, managers, owners of railroad infrastructure existing at the Work performance sites, as well as a legal or natural person, who is not contractually involved in the Project implementation).</p>

<p>11. Defects liability</p>	
<p>11.1 Completion of outstanding work and remedying defects</p>	<p>Reword Sub-Clause 11.1 as follows:</p> <p>In order to ensure that the Works and the Employer’s documents, as well as each Section until the end of the Defects Notification Period/Extended Defects Notification Period meets Contract provisions (taking into account regular wear), the Contractor:</p> <p>(a) within the reasonable time period stipulated in the Engineer’s Certificate of Taking-Over of all Works/Certificate of Taking-Over of Sections, all such works must be finished, which are not finished as of the date of issue of the Certificate of Taking-Over of Works/Certificate of Taking-Over of Sections; and</p> <p>(b) all such works must be completed, which are necessary to remedy defects and damages, about which the Employer (or the person acting on behalf of the Employer) has reported until the last day of the Defects Notification Period/Extended Defects Notification Period (inclusive) of the Works or the Section (depending on the situation).</p> <p>The Contractor shall remedy defects within the time-period established in the notification issued by the Employer (or the person authorised to act on behalf of the Employer). If a longer time is technically required to remedy defects or damages found during the Defects Notification Period/Extended Defects</p>

	<p>Notification Period, or if some components (parts) need to be ordered, which take a longer time, then the Contractor shall inform the Employer (or the person authorised to act on behalf of the Employer) about it without delay, however no later than before the end of the deadline specified in the notification for the remediation of defects or damages, by indicating the deadline necessary for remedying defects or damages. If the Employer (or the person authorised to act on behalf of the Employer) does not agree with the indicated deadlines for remedying defects or damages, then the Contractor shall remedy damages and defects before the deadline specified by the Employer (or the person authorised to act on behalf of the Employer).</p> <p>When the Employer (or the person authorised to act on behalf of the Employer) finds defects or damages, they (or the person authorised to act on behalf of the Employer) shall promptly notify the Contractor about it.</p> <p>The Employer (or the person authorised to act on behalf of the Employer) may define Work inspection periods with the objective of finding defects occurring during the Defects Notification Period/Extended Defects Notification Period and set the deadlines to remedy these defects.</p>
<p>11.2 Cost of remedying defects</p>	<p>In Sub-para 11.2, sub-paragraph (a), delete “excluding the part of designing, for which the Employer is responsible (if any)”.</p> <p>Add sub-paragraph (e) to part one of Sub-Clause 11.2.</p> <p>(e) any defect, damage, omission, inaccuracy and deficiency in the Works and the Project.</p> <p>Reword part two of Sub-Clause 11.2 as follows:</p> <p>Defects shall not be remedied at the expense of the Contractor, and the Employer (or the person authorised to act on behalf of the Employer) shall promptly notify the Contractor and act in compliance with Sub-Clause 13.3 [<i>Variation procedure</i>], if the cause of defects is a mechanical damage inflicted by a third party, which is not consistent with normal wear and tear or there is a deviation in the way that the defect occurs from the operating manual, with which the Employer’s designated persons were duly introduced and trained at.</p>
<p>11.3 Extension of Defects Notification Period</p>	<p>Delete part two of Sub-Clause 11.3.</p> <p>Add a new part to Sub-Clause 11.3 as follows:</p> <p>The Defects Notification Period as regards to the Works of the specific Section shall commence at the time of issue of a Certificate of Taking-Over of the respective Section, i.e. the issue of a Certificate of Taking-Over of Section Two and/or Three and/or Four, and, unless extended, it is five years for each construction object from the issue of a Certificate of Taking-Over of the respective Section (final date of the Defects Notification Period).</p>

<p>11.4 Failure to remedy defects</p>	<p>Delete part one of Sub-Clause 11.4.</p> <p>Reword the first sentence of part two of Sub-Clause 11.4 as follows:</p> <p>If the Contractor has not remedied a Defect or a damage until the date specified pursuant to Sub-Clause 11.1 [Completion of outstanding work and remedying of defects] and such remedying works, pursuant to Sub-Clause 11.2 [<i>Cost of remedying defects</i>], had to be performed at the Contractor’s expense, the Employer may (at own discretion):</p> <p>Reword Sub-Clause 11.4, sub-paragraph (a) as follows:</p> <p>(a) perform these works adequately and at the Contractor’s expense or charge others with these works, and the Contractor shall bear all the costs reasonably incurred to the Employer, along with the Employer’s administrative costs in the amount of 10 % of these Employer costs for remedying this defect or damage, which the Employer, at own discretion, may cover from the Contract Performance Security.</p> <p>Reword Sub-Clause 11.4, sub-paragraph (c) as follows:</p> <p>“(c) terminate the Contract altogether or (at the Employer’s discretion) only as regards the part of Works, which cannot be used for the intended purpose.”</p> <p>Add part three to Sub-Clause 11.4 as follows:</p> <p>Without any prejudice to the Employer’s rights specified in this sub-paragraph, the Employer is entitled to impose and the Contractor shall undertake to pay a penalty to the Employer for the delay of deadline for the remedy of defects or damages established in the Engineer’s Certificate of Taking-Over of all Works or in the Certificate of Taking-Over of the Section, and in such case, the Employer is entitled to request and the Contractor shall undertake to pay a penalty to the Employer in the amount of EUR 10,000.00 (ten thousand euros, 00 cents) per day, until such defects and damages are remedied, however not exceeding 10 % (ten per cent) of the Accepted Contract Amount. As regards any other delay of deadlines for the remedy of defects or damages specified by the Engineer or the Employer, the Employer shall be entitled to impose and the Contractor shall undertake to pay a penalty to the Employer in the amount of EUR 10,000.00 (ten thousand euros, 00 cents) per day, however not exceeding 10 % (ten per cent) of the Accepted Contract Amount. The payment of penalty shall not release from the duty to fulfil obligations.</p>
<p>11.6 Further tests</p>	<p>In Sub-Clause 11.6, after “to the Engineer” add “or the Employer (or a person acting on behalf of the Employer)”</p> <p>Add a new part to Sub-Clause 11.6 as follows:</p>

	The defect or damage shall be deemed remedied only when the Works have passed the inspections before acceptance of Works requested by the Engineer or the Employer (or a person acting on behalf of the Employer).
11.7 Right of access	Reword Sub-Clause 11.7 as follows: Until the issue of a Performance Certificate, the Contractor shall be guaranteed access rights to all parts of Works and documentation of functioning and use of Works, unless it is inconsistent with Employer’s imposed reasonable security restrictions, as well as if the owner or manager of the railroad infrastructure has agreed to it.
11.8 Contractor’s duty to identify the cause of defects	Reword Sub-Clause 11.8 as follows: If requested by the Engineer or the Employer (or a person acting on behalf of the Employer), the Contractor has the duty to find the cause of any defect at his cost.
11.9 Contract performance certificate	Add a new part to Sub-Clause 11.9 as follows: The Contract performance certificate shall not apply to the Contractor’s obligations of the Extended Defects Notification Period, which the Contractor must fulfil until the end of the Extended Defects Notification Period.
11.10 Unfulfilled obligations	Reword Sub-Clause 11.10 as follows: After the issue of a Contract performance certificate, all Parties are responsible for fulfilling any obligations, which, up to then, have remained unfulfilled, and the Contractor is responsible for adequate fulfilment of obligations of the Extended Defects Notification Period, as well as for any concealed and/or resulting defects of Works, for which a Contract performance certificate is issued, pursuant to Applicable Law existing in the State. The Contract shall remain valid, until the Contractor has duly fulfilled all obligations arising from the Contract, incl. obligations of the Extended Defects Notification Period.
11.11 Clearance of site	Add a first sentence to the first paragraph of Sub-Clause 11.11: The Work performance site must be cleared until the issue of a Certificate of Taking-Over of all Works.

12. Tests after completion	Delete Clause 12.
12.1 Procedure of tests after completion	Delete Sub-Clause 12.1.

12.2 Delayed tests	Delete Sub-Clause 12.2.
12.3 Retesting	Delete Sub-Clause 12.3.
12.4 Failure to pass tests after completion	Delete Sub-Clause 12.4.

13. Variations and Adjustments	Reword Clause 13 as follows:
13.1 Right to vary	<p>The Engineer or the Employer may propose Variations at any time before the issue of the Contract performance certificate, either by issuing instructions or requesting that the Contractor submits their proposal.</p> <p>The Contractor is not entitled to refuse to introduce Variations, unless they have immediately given a notification to the Engineer, which states (along with explanatory information) that the safety and usability of Works for the intended purposes will be jeopardised. Upon receiving this notification, the Engineer shall revoke, approve or change their instructions.</p> <p>If, as a result of Variations it is expectable, predictable that:</p> <ul style="list-style-type: none"> (i) the Contract Price will exceed the Accepted Contract Amount, (ii) any of the interim deadlines of Works, Sections thereof, the final Work performance deadline specified in the Employer’s requirements will be extended, (iii) material amendments, changes must be introduced in the Contract, incl., but not limited to amendments, changes, which, pursuant to the Applicable Law in the area of public procurements are classified as material amendments, <p>then, in each of such cases, before introducing any such Variations in the Employer’s requirements, Works (i.e., until such time, when the Contractor must start implementing, introducing the relevant Variations), a prior written consent must be received from the Employer to introduce, implement the relevant Variations, and such Variations shall become binding to the Employer at the time, when written consent is received from the Employer for the introduction, implementation of the relevant Variations.</p> <p>Justification of Variations:</p> <ul style="list-style-type: none"> (a) Consequences of Employer’s risks, as specified in Sub-Clause 17.3; (b) <i>force majeure</i> circumstances; (c) the necessity/efficiency to change, amend, introduce, supplement documentation of the Construction Design, other Work performance documentation, solutions of Contractor’s documents, inter alia, due to such

	<p>reasons as rational use of financial means, due to technical reasons, third party requirements and other reasons;</p> <p>(d) the necessity/efficiency to change, amend, introduce in the Employer’s requirements or in the Construction Design, other Work performance documentation, the envisaged Goods or technical solutions to attain a higher quality, better value result;</p> <p>(e) the Employer’s accepted third party claim as regards the performance of Works that are related to third party property (engineering communications (water supply, gas pipes, power supply, telecommunications, electrical power and/or other networks), communication operators etc.);</p> <p>(f) the necessity to exclude a certain part of Works or reduce its extent, scope;</p> <p>(g) implementation of a more effective, higher value technical solution that does not trigger changes in the key parameters of the subject-matter of the Contract;</p> <p>(h) the need to change the place of Work performance, installation of Equipment and/or Materials;</p> <p>(i) financial insufficiency for the performance of the whole scope of Works, a part thereof;</p> <p>(j) in other cases permissible pursuant to the Applicable Law as regards public procurement.</p>
<p>13.2 Value engineering</p>	<p>The Contractor may, at any time, submit a written proposal to the Engineer, as a result of implementation whereof (in the Contractor’s opinion) (i) the performance will be sped up, (ii) costs of Work performance, maintenance or use to be borne by the Employer will be reduced, (iii) in the interests of the Employer, the effectiveness and value of the completed Works will be improved, or (iv) any other advantage is ensured to the Employer, or (v) in other cases justifying Variations pursuant to Sub-Clause 13.1.</p> <p>The Tender shall be prepared at the Contractor’s expense and shall include items stipulated in Sub-Clause 13.3 [<i>Variation procedure</i>].</p>
<p>13.3 Variation procedure</p>	<p>If, before an instruction on introducing Variations, the Engineer requests the Contractor’s offer, the latter shall, as soon as possible, submit:</p> <p>(a) a description of the solution and/or work to be performed in the proposed project (Construction Design, other Work performance documentation, Contractor’s document) and a programme of its performance,</p> <p>(b) the Contractor’s offer as regards all the necessary changes in the Programme pursuant to Sub-Clause 8.3 [<i>Programme</i>] and, if necessary, during the Performance time (in any case, without receiving a prior written Employer’s consent, it is not permissible to extend any of the interim deadlines of Works, Work Sections, final Work performance deadline, specified in the Employer’s requirements), and</p> <p>(c) the Contractor’s offer as regards the adjustment of the Contract Price (in any case, without receiving a prior written Employer’s consent, it is not permissible to set a Contract Price that exceeds the Accepted Contract Amount).</p>

	<p>The Engineer shall, as soon as possible upon receipt of such an offer (pursuant to Sub-Clause 13.2 [<i>Feasibility of costs</i>] or otherwise), give an answer with approval, rejection or comments. In awaiting for this answer, the Contractor may not delay the fulfilment of any works.</p> <p>The Engineer shall submit all instructions on Variations, including requests regarding documenting of Costs, to the Contractor, who must confirm their receipt.</p> <p>By giving the instruction to introduce Variations or by confirming them, the Engineer must act in compliance with Sub-Clause 3.5 [<i>Determinations</i>], to agree or decide on the adjustment of the Contract Price and the Payment schedule. These corrections must include corresponding profits and take into account the Contractor’s offers pursuant to Sub-Clause 13.2 [<i>Feasibility of costs</i>], if any.</p>
13.4 Payment applicable currencies	in All payments to be made pursuant to the Contract shall be done in euros (EUR).
13.5 Provisional sums	Delete Sub-Clause 13.5.
13.6 Daywork	<p>As regards less significant or incidental works, the Engineer may give instruction to introduce Variations based on the daywork. In such case, the work is evaluated pursuant to the daywork schedule included in the Contract in compliance with the further described procedures. If the daywork schedule is not included in the Contract, the Contractor shall prepare it on the Engineer’s instructions, and the Engineer shall, upon receipt of the Contractor’s relevant offer, give an answer, as soon as possible, with approval, rejection or comments.</p> <p>Before ordering Goods intended for Works, the Contractor shall submit a bill of quantities to the Contractor. To receive payment, the Contractor shall first receive the Engineer’s approval for the daywork schedule, the relevant bill of quantities, as well as shall submit to the Engineer all invoices, payment slips and payment documents or receipts for all Goods.</p> <p>Except for items, for which payment is not due pursuant to the daywork schedule, the Contractor shall submit to the Engineer detailed daily reports in duplicate, wherein the following information regarding the resources used in the works of the preceding day shall be included:</p> <ul style="list-style-type: none"> (a) the Contractor’s employees’ names, positions and hours worked, (b) the name, type and duration of use of Contractor’s equipment and Temporary works, and (c) the amount and type of the used Equipment and Materials. <p>If the report is correct or once an agreement is reached, the Engineer shall sign one copy of each report and return to it to the Contractor. Then the Contractor must submit reports to the Engineer about the prices of these resources, before they are included in the next Report pursuant to Sub-Clause 14.3 [<i>Application for interim payment certificates</i>].</p>
13.7	Delete Sub-Clause 13.7.

Adjustments for changes in legislation									
13.8 Adjustments for changes in Costs	<p>The Contract Price in relation to the construction works, excl. the VAT, must be recalculated in accordance with adjustments for calculations of costs, subject to the following conditions:</p> <p>The following rules shall apply when calculating adjustment costs:</p> <ul style="list-style-type: none"> (a) base period — the calendar quarter of the year, when the tender for construction was submitted (b) the base price of Works L_0; M_0; E_0 – the price of construction works performed in each quarter, in accordance with the price listed in the bill of quantities, which must be submitted pursuant to Clause 14.1 regarding cost items (basic resource groups) — accordingly for labour, materials, mechanisms, as established in the Financial tender and Sub-Clause 14.1 (c) adjustment periods — quarters of the calendar year following the quarter of the base period, until the completion of construction, inclusive. <p>In addition to the amount to be paid to the Contractor for works performed during the adjustment period, the adjustment costs to the Contractor are calculated once per quarter over 36 days after the end of the adjustment period, in line with the following formula:</p> $DS_n = (DL_n + DM_n + DE_n) + (DL_n + DM_n + DE_n) \times q$ <p>where:</p> <table border="1" data-bbox="483 1094 1459 1381"> <tr> <td data-bbox="483 1094 803 1167">$\Delta L_n = 0,90 \times (L_0 \times B_{nLm} / B_{nL0} - L_0)$</td> <td data-bbox="803 1094 1459 1167">- adjustment for labour costs</td> </tr> <tr> <td data-bbox="483 1167 803 1241">$\Delta M_n = 0,90 \times (M_0 \times B_{nMm} / B_{nM0} - M_0)$</td> <td data-bbox="803 1167 1459 1241">- adjustment for material costs</td> </tr> <tr> <td data-bbox="483 1241 803 1314">$\Delta E_n = 0,90 \times (E_0 \times B_{nEm} / B_{nE0} - E_0)$</td> <td data-bbox="803 1241 1459 1314">- adjustment for equipment costs</td> </tr> <tr> <td data-bbox="483 1314 803 1381">q</td> <td data-bbox="803 1314 1459 1381">- overhead norm (coefficient) indicated in the Contractor's Tender offer</td> </tr> </table> <p>B_{nLm} - wages of construction workers by transport objects, index RC082c, which is published quarterly by the Central Statistical Bureau of Latvia, for the performed quarterly works</p> <p>B_{nL0} - changes in the wages of construction workers by transport objects, index RC082c, which is published quarterly by the Central Statistical Bureau of Latvia, at the end of the quarter, when the tender was submitted</p> <p>B_{nMm} - costs of building materials by transport objects, index RC082c, which is published quarterly by the Central Statistical Bureau of Latvia, for the performed quarterly works</p> <p>B_{nM0} - costs of building materials by transport objects, index RC082c, which is published quarterly by the Central Statistical Bureau of Latvia, when the tender was submitted</p>	$\Delta L_n = 0,90 \times (L_0 \times B_{nLm} / B_{nL0} - L_0)$	- adjustment for labour costs	$\Delta M_n = 0,90 \times (M_0 \times B_{nMm} / B_{nM0} - M_0)$	- adjustment for material costs	$\Delta E_n = 0,90 \times (E_0 \times B_{nEm} / B_{nE0} - E_0)$	- adjustment for equipment costs	q	- overhead norm (coefficient) indicated in the Contractor's Tender offer
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	<p>B_{nEm} - costs of mechanisms by transport objects, index RC082c, which is published quarterly by the Central Statistical Bureau of Latvia, after the performed quarterly works</p> <p>B_{nE0}, - costs of mechanisms by transport objects, index RC082c, which is published quarterly by the Central Statistical Bureau of Latvia, when the tender was submitted</p> <p>m—number of the adjustment period.</p> <p>The Contract Price for the relevant adjustment period is not recalculated in cases, when due to reasons attributable to the Contractor, the performance of Works or a part/parts thereof is delayed (delayed final Work performance deadline, Section performance deadline and/or any other set interim deadline, performance deadline).</p>
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14. Contract Price and Payment	
14.1 The Contract Price	<p>Reword Sub-Clause 14.1 as follows:</p> <p>(a) The Contract Price is the Accepted Contract Amount, excl. the VAT, and this is the contract for final amount, which may not be exceeded. The VAT shall be calculated and paid additional to the extent and in compliance with procedures established in regulatory enactments. The Contract Price can be adjusted with binding effect, by increasing or decreasing it, only and solely: (1) upon agreement between the Employer and the Contractor, or (2) pursuant to Sub-Clause 13.8 [Adjustments for changes in costs], or (3) if the Engineer makes a Decision in cases and in compliance with procedures established in the Contract pursuant to Sub-Clause 3.5 [Determinations].</p> <p>(b) The Contractor shall pay all taxes, dues and payments that they shall pay pursuant to the Contract, and the Contract Price, excl. the VAT< may not be adjusted by any of these costs. The Contractor shall be responsible for correct conveyancing of customs formalities, correct calculation of customs duties and/or import VAT, if applicable, and payment to the customs.</p> <p>(c) All quantities specified in the Schedule are estimated amounts and may not be deemed actual and correct amounts as regards the Works to be performed by the Contractor; and</p>

- (d) All quantities and prices specified in the Schedule shall be used for the intended purposes of this Schedule only and are applicable to the Engineer's specified purposes.
- (e) The Contractor is not entitled to receive any incentives relating to VAT exemption.
- (f) The Contractor shall, at his cost, meet all tax commitments that are or might be imposed on them as a result of fulfilling the Contract in the State, and they shall assume all risks related to the fulfilment of tax commitments, if any, pursuant to Applicable Laws effective in the State.
- (g) For the purposes of fulfilling this Contract, within 17 (*seventeen*) working days after signing the Contract, the Contractor must register or obtain registration as a VAT payer in the State and must provide the Employer with a document confirming registration as a VAT payer in the State.
- (h) The Employer shall not reimburse costs related to the Contractor's duty to register as a VAT payer in the Country or other related costs;
- (i) If the Contractor fails to fulfil the duty established in sub-paragraph (e) in due time, they shall cover all costs incurred as a result by the Employer, including the VAT, which the latter shall have to pay for the Contractor in the State budget, and all penalties and other sanctions that the Employer may be subjected to by State authorities, as well as any other related costs. The Parties agree and confirm that the Employer is entitled to deduct such costs and expenses from amounts they have to pay to the Contractor, by means of unilateral netting;
- (j) The payment for actually performed works will be executed only if the Contractor has registered as a VAT payer in the State and will have submitted a document to the Employer confirming such registration;
- (k) Pursuant to Cabinet Regulations No. 178 of 30 April 2001 "Procedures for Application of Tax Relief Determined in International Agreements for Prevention of Double Taxation and Tax Evasion", non-resident contractual parties, if they have no permanent representation in Latvia, have the duty to provide the Employer with a filled in residency certificate — an application to apply tax relief or a residency certificate in a specific form of the Contractor's country in 3 (three) copies.

The Accepted Contract Amount as the final amount that may not be exceeded is indicated in the Contractor's financial tender. The costs of each unit of Works listed in the Contractor's financial tender, as well as the costs of elements of each unit costs – materials, labour and mechanisms – constitute the final amount, and

changes in these costs are possible only in compliance with procedures established in the Contract as per Clause 13 [Variations and Adjustments].

No later than within 60 (sixty) days before starting construction works at the Work performance site, the Contractor must provide the Engineer with a detailed bill of quantities of all and each unit listed in the Contractor's financial tender, prepared pursuant to the construction standard provisions of Applicable Law (incl., indicating the scope of works and prices of work units). In preparing each detailed bill of quantities and prices of work units, the Contractor may not increase or decrease the amount of a unit specified in the Contractor's financial tender or the amount of each cost element of this unit — materials, labour and mechanisms — indicated in the Contractor's financial tender. The rate of overheads and profits in the detailed bill of quantities may not differ from that indicated in the Contractor's financial tender.

Within 30 (thirty) days, the Engineer shall review the detailed bills of quantities submitted by the Contractor and, if necessary, shall give instructions to the Contractor about clarification or correction of the detailed bills of quantities. If the Contractor and the Engineer is unable to agree, within a reasonable period, on the contents of the detailed bills of quantities, the Engineer shall act pursuant to Sub-Clause 3.5 [Determinations] and issue detailed bills of quantities corresponding with the present sub-paragraph. Before reaching an agreement on the detailed bills of quantities or the issuance of the Engineer's decision, payments shall not be made pursuant to Sub-Clause 14.7 [Payment].

Detailed bills of quantities are used, in order to:

- (i) determine the amounts that are due to the Contractor pursuant to Sub-para 14.3 [Application for interim payment certificates] and Sub-Clause 14.7 [Issuance of an interim payment certificate]; and
- (ii) determine the value of Variations pursuant to Clause 13 [Variations and Adjustments].

The Contract Price is divided into payments for:

- (a) Section One;
- (b) Section Two;
- (c) Section Three;
- (d) Section Four.

<p>14.2 Advance Payment</p>	<p>Reword Sub-Clause 14.2 as follows:</p> <p>The Advance Payment constitutes 10 % (ten per cent) of the Accepted Contract Amount, including 2 % (two per cent) of the Accepted Contract Amount is the Advance Payment for Works of Section One — the First Advance Payment, and 8 % (eight per cent) of the Accepted Contract Amount is the Advance Payment for all other Works that shall be paid to the Contractor as follows:</p> <ul style="list-style-type: none"> (a) The Second Advance Payment – 8% of the value of works of the Second Section. The Second Advance Payment shall be disbursed in a single payment after comments have been received about the fulfilment of designing conditions for all construction objects contained in the Works. Upon the Contractor’s request, subject to the Engineer’s consent, it can be paid if the remark about the fulfilment of designing conditions for all construction objects contained in the Works of the Second Section, to fund the commencement of Works of Section Two is received; (b) The Third Advance Payment – 8% of the value of works of the Third Section. The Third Advance Payment shall be disbursed in a single payment after the Employer has issued the instruction on the execution of Third Section Works to fund the commencement of Works of Section Three; (c) The Four Advance Payment – 8% of the value of works of the Fourth Section. The Fourth Advance Payment shall be disbursed in a single payment after the Employer has issued the instruction on the execution of Fourth Section Works to fund the commencement of Works of Section Four. <p>The Engineer shall, within 14 (fourteen) days issue an Interim Payment Certificate for the pay-out of the First Advance Payment after the coming into force of the Contract, after (i) the Contractor has provided the Engineer with a Report pursuant to Sub-Clause 14.3 [Application for interim payment certificates] and the</p>

Employer has received (ii) the Contract (obligations) performance guarantee pursuant to Sub-Clause 4.2 [Contract Performance Security] and (iii) Advance Payment guarantee in the amount of the First Advance Payment.

The Engineer shall, within 14 (fourteen) days, issue an Interim Payment Certificate for the pay-out of the Second Advance Payment, after (i) the Engineer has issued the Certificate of Taking-Over of Section One, (ii) the Contractor has submitted a Report to the Engineer pursuant to Sub-Clause 14.3 [Application for interim payment certificates], and the Employer has received (iii) increase of the Advance Payment guarantee up to the First Advance Payment amount and the Second Advance Payment amount.

If the Contractor has requested the payout of the Second Advance Payment part, then the Engineer shall, within 14 (fourteen) days, issue an Interim Payment certificate for the pay-out of the Second Advance Payment part to fund the Works of Section Two, after (i) comments have been received regarding the fulfilment of designing conditions for all construction projects contained in the Works of Section Two, (ii) the Contractor has provided the Engineer with a Report pursuant to Sub-Clause 14.3 [Application for interim payment certificates], and the Employer has received (iii) an increase of the Advance Payment guarantee up to the amounts paid out within the framework of the First Advance Payment and the Second Advance Payment (including the part of Second Advance Payment to be paid out).

The Engineer shall, within 14 (fourteen) days, issue an Interim Payment Certificate for the pay-out of the Third Advance Payment, after (i) the Engineer has issued the instruction on the execution of Third Section Works, (ii) the Contractor has submitted a Report to the Engineer pursuant to Sub-Clause 14.3 [Application for interim payment certificates], and the Employer has received (iii) the Advance Payment guarantee for the Third Advance Payment or the increase of the Advance Payment guarantee up to the Third Advance Payment amount and the advance payments paid prior to that, if the advance payments have been paid to the Contractor prior to the Third Advance Payment and they have not been repaid (amortised) in accordance with the procedure established by the Contract.

The Engineer shall, within 14 (fourteen) days, issue an Interim Payment Certificate for the pay-out of the Fourth Advance Payment, after (i) the Engineer has issued the instruction on the execution of Fourth Section Works, (ii) the Contractor has

submitted a Report to the Engineer pursuant to Sub-Clause 14.3 [Application for interim payment certificates], and the Employer has received (iii) the Advance Payment guarantee for the Fourth Advance Payment or the increase of the Advance Payment guarantee up to the Fourth Advance Payment amount and the advance payments paid prior to that, if the advance payments have been paid to the Contractor prior to the Fourth Advance Payment and they have not been repaid (amortised) in accordance with the procedure established by the Contract.

One Advance Payment guarantee shall apply to all the Advance Payments made to the Contractor, and it shall be submitted in identical form and must satisfy the same conditions as prescribed in Sub-Clause 4.2 [Contract Performance Security] for the Contract Performance Security. The Advance Payment guarantee must be valid until the entire received advance is re-paid (amortised). The procedure of repayment (amortisation) of the Advance Payment shall be determined by the Engineer, following discussion with the Employer and the Contractor. The Advance Payment guarantee shall be submitted in the form enclosed hereto (the form in Annex 5 is used for a guaranteed insurance contract; the form in Annex 4 — for a bank guarantee).

The Contractor shall ensure that the Advance Payment guarantee is valid and can be executable, until the Advance Payment is fully repaid, but its extent can be gradually reduced by the Engineer, following discussions with the Employer and the Contractor. The Contractor is entitled to refuse the Advance Payment.

If the sum for Works that are completed during the report period (after applying withholdings, other deductions and additional charges) is lower than the sum of repayment (amortisation) of the Advance Payment, then the sum of Advance Payment that has not been repaid is compensated from the payment for works of the following report period (after applying withholdings, other deductions and additional charges) etc.

If the Advance Payment is not repaid before the issuance of the Certificate of Taking-Over of all Works or before the termination of Contract pursuant to Clause 15 [*Termination of Contract by the Employer*], Clause 16 [*Suspension and termination of Works by the Contractor*] or Clause 19 [*Force Majeure*] (depending on the situation) or before the end of the Contract validity term due to other reasons, the Contractor shall pay whole outstanding balance of the Advance Payment immediately to the Employer, however, if that is not done, then the

	<p>Employer shall recover the outstanding balance of the Advance Payment from the Advance guarantee.</p> <p>The Employer is entitled to use the Advance guarantee in any situation and without notifying the Contractor, if there is reasonable doubt of the Contractor’s ability to repay the outstanding balance of the Advance Payment.</p>
<p>14.3 Application for interim payment certificates</p>	<p>Reword Sub-Clause 14.3 as follows:</p> <p>The Contractor shall submit two Applications to the Engineer for interim payment certificates for the works of Section One.</p> <p>The first application for an interim payment certificate shall be submitted after the master design has been agreed with the Engineer and the Employer.</p> <p>The second application for an interim payment certificate shall be submitted after the issue of a Certificate of Taking-Over of Section One.</p> <p>The application of the First Section for an interim payment certificate includes a Report in six copies and electronically in a form approved by the Engineer, providing information about the sums, which, in the Contractor’s opinion, are due to them, and the Engineer’s specified supporting documents.</p> <p>The Contractor shall submit monthly Progress reports for Works of Section One, including the relevant progress report pursuant to Sub-Clause 4.21 [<i>Progress reports</i>].</p> <p>The Contractor shall submit to the Engineer six copies of a Report for the Works of other Sections and electronically after the end of each month in a form approved by the Engineer, detailing information about the sums, which, in the Contractor's opinion, are due to them, along with supporting documents, which include the relevant progress report pursuant to Sub-Clause 4.21 [<i>Progress reports</i>].</p> <p>The following items (if applicable) shall be included in the Report in the following sequence, expressed in currencies, in which the Contract Price shall be paid:</p> <p>(a) the value contractually determined for the Works completed until the end of month (including changes agreed by the Employer and the Engineer),</p>

	<p>calculated based on the units specified in the Contractor’s financial tender and the detailed bills of quantities of units specified in the Contractor’s financial tender prepared pursuant to Sub-Clause 14.1 [Contract Price], the volumes and cost elements identified therein: materials, labour and mechanisms.</p> <p>(b) any sums that are to be added or deducted in case of changes in regulatory enactments or in the Costs pursuant to Sub-para 13.7 [<i>Adjustments for changes in legislation</i>] and to Sub-Clause 13.8 [<i>Adjustments for changes in costs</i>];</p> <p>(c) any sum that is to be deducted for the purposes of withholding and which is calculated, by applying the withholding percentage specified in the Appendix to Tender to the aforementioned total amount, until the sum thus withheld by the Employer reaches the limit of Withholdings stipulated in the Appendix to Tender (if applicable);</p> <p>(d) any sums to be added or deducted due to an Advance Payment or its repayment pursuant to Sub-Clause 14.2 [<i>Advance Payment</i>];</p> <p>(e) all other sums to be added or deducted, the payment whereof is stipulated in the Contract or elsewhere, including amounts to be paid pursuant to Clause 20 [<i>Claims, disputes and arbitration</i>] and</p> <p>(f) deduction of sums included in all previous Payment confirmations.</p> <p>(g) The report of the Contractor’s declaration fulfilment and observation during the report period.</p> <p>All as-built documentation of Works as prescribed by Applicable Laws existing in the State must be available to the Employer upon relevant request.</p> <p>The Contractor is entitled to receive an Interim Payment only if the Employer has been given a valid Contract Performance Security.</p> <p>The Employer is entitled to instruct the Engineer as regards the harmonisation and approval of Application for Interim Payment. As soon as the Application for Interim Payment (Statement) is received, two copies thereof shall be promptly issued to the Employer.</p>
<p>14.4 Schedule of Payments</p>	<p>Reword Sub-Clause 14.4 as follows:</p> <p>Before the issue of the Taking-Over Certificate of all Works, the Contractor, no later than by 30 September of each calendar year, shall submit to the Employer and the Engineer a detailed cash flow schedule of the upcoming calendar year, by indicating the sum intended for each indicated unit in each calendar month, the total sum required in the calendar month, and the sum of money required in the</p>

	<p>calendar year. The Contractor’s stated total sum required for the payment of Works in the calendar year cannot be exceeded and the Engineer has no right to confirm a higher sum for payment than specified in the Contractor’s cash flow schedule. If the value of Works actually completed in the calendar year and according the amount to be paid to the Contractor exceeds the sum specified in the Contractor’s cash flow schedule, then, in the absence of other arrangements with the Employer, the Contractor shall include the difference, which exceeds the indicated total sum required to pay for the Works in a calendar year, in the calculations of the following calendar year, and it shall be paid with the first interim payment certificate of the following calendar year.</p>
<p>14.5 Equipment and materials intended for the Works</p>	<p>Delete Sub-Clause 14.5.</p>
<p>14.6 Issue of interim payment certificates</p>	<p>In the first part of Sub-Clause 14.6, replace “28” with “35”.</p> <p>Reword part three of Sub-Clause 14.6 as follows:</p> <p>An Interim Payment Certificate may not be withheld for any other reason, except:</p> <ul style="list-style-type: none"> (a) if any Materials or Equipment supplied or Work done by the Contractor is not in accordance with the Contract, the cost of rectification or replacement may be withheld until rectification or replacement has been completed; and/or (b) if the Contractor was or is failing to perform any work or obligation in accordance with the Contract and had been so notified by the Engineer, the value of this work or obligation may be withheld until the work or obligation has been performed; (c) if the submitted documents, in particular in those related to payments, errors, omission, inaccuracies or other inconsistencies are found, they are returned to the Contractor for rectification. The deadline for issuing an Interim Payment Certificate is restored. <p>Reword part four of Sub-Clause 14.6 as follows:</p> <p>The Engineer and/or Employer are entitled to make any correction or modification in the Payment Certificate to be issued, which in fact should have been done in any of the previous Payment Certificates. A Payment Certificate shall not be</p>

	<p>deemed to indicate the Engineer’s acceptance, approval, consent or satisfaction of claim.</p> <p>Add a new part to Sub-Clause 14.6:</p> <p>If the Engineer has failed to issue an Interim Payment Certificate before the deadline specified in the present clause, then the Employer is entitled to issue an Interim Payment Certificate.</p>
<p>14.7 Payment</p>	<p>Add a new part to Sub-Clause 14.7 as follows:</p> <p>No payments are approved or executed, before the Employer has received and approved the Work performance security.</p> <p>Reword sub-paragraph (a) of part one of Sub-Clause 14.7 as follows:</p> <p>(a) The first advance payment within 45 (forty-five) days after the Engineer has issued an Interim Payment Certificate for the pay-out of the First Advance Payment and the Contractor has submitted an invoice for the First Advance Payment sum. The second, third and fourth advance payment within 45 (forty-five) days after the Engineer has issued an Interim Payment Certificate for the pay-out of the respective Advance Payment and the Contractor has submitted an invoice for the respective Advance Payment sum.</p> <p>In sub-paragraph (b) of part one of Sub-Clause 14.7, add “and the Contractor’s invoice” after “supporting documents” and replace “56” with “60”.</p> <p>In sub-paragraph (c) of part one of Sub-Clause 14.7, replace “56” with “60”, and add to the first sentence with “and an invoice”, as well as add a new sentence:</p> <p>The Employer may pay the sum of the Final Payment Certificate, even if the Employer has not issued an invoice, by stating as the justification “Payment pursuant to Final Payment Certificate”.</p> <p>Add sub-paragraph (d) to part one of Sub-Clause 14.7:</p> <p>Adjusted amounts calculated pursuant to Sub-Clause 13.8 [Adjustments for changes in costs] shall be paid within 60 days from the date of calculating the adjustments and receipt of the Contractor’s invoice.</p>

	Delete part two of Sub-Clause 14.7.
<p>14.8 Delayed payment</p>	<p>Reword Sub-Clause 14.8 as follows:</p> <p>If the Contractor does not receive payment in accordance with Sub-Clause 14.7 [<i>Payment</i>] due to the Employer’s fault, the Contractor shall be entitled to receive late interest at a rate of 8 % (eight per cent) per year and 12 month EURIBOR rate. The period, for which late interest is calculated, starts on the day following the date of payment stipulated in Sub-Clause 14.7 [<i>Payment</i>].</p> <p>Late interest is calculated until the day when the Employer makes the payment. Late interest is paid to the Contractor based on an invoice of free form for late interest issued by the Contractor.</p>
<p>14.9 Payment of retention money</p>	<p>Reword Sub-Clause 14.9 as follows:</p> <p>The Retention Money withhold in the framework of the First Section shall be paid together with the Second Section Retention Money. The Retention Money withhold in the framework of Second, Third and Fourth Section shall be paid after the completion of each Section and the acceptance of Works thereof in accordance with the procedure established by the Contract by complying with the payment procedure specified in the present sub-clause.</p> <p>When the Taking-Over Certificate has been issued for the Works of the respective Section and the Works of the respective Section have passed all the required testing, the Engineer shall certify the payment of the first half of Retention Money obtained at the relevant Section to the Contractor. A Taking-Over Certificate for a Section shall serve as grounds for paying the first half of Retention Money to the Contractor.</p> <p>After the final date of the Defects Notification Period of the relevant Section, the Engineer shall promptly approve the payment of the outstanding Retention Money obtained at the relevant Section to the Contractor. However, upon the Employer’s instruction, relating to the observation of deadlines for the absorption of European Union funds, the Engineer shall certify the payment of the second part of Retention Money sooner.</p>

	<p>If any work remains to be executed under Clause 11 [<i>Defects Liability</i>], the Engineer shall be entitled to withhold certification of the estimated cost of this work, until it has been executed.</p> <p>The Retention Money is withheld from each interim payment, by withholding 10 % (ten per cent) from the total amount of the respective interim payment, until the Retention Money reaches 5 % (five per cent) of the value of works of the relevant Section.</p>
<p>14.10 Statement at completion</p>	<p>In the first sentence of part one of Sub-Clause 14.10, after “within”, add “all”.</p>
<p>14.11 Application for receipt of Final Payment Certificate</p>	<p>Reword part three of Sub-Clause 14.11 as follows:</p> <p>However, if following discussions between the Engineer and the Contractor and any changes to the draft final statement which are agreed, dispute arises and the Engineer and the Contractor fail to agree on the Final Statement before the Engineer’s set deadline, then the Engineer shall draft the final statement within a reasonable time period, and submit a copy to the Contractor and the Employer, and the Engineer shall submit to the Employer (by sending a copy to the Contractor) an Interim Payment Certificate for amounts, which pursuant to the final report prepared by the Engineer are due to the Contractor.</p>
<p>14.12 Discharge</p>	<p>In Sub-Clause 14.12, replace “Final statement” with “draft final statement” and replace “Final Statement with “draft final statement”.</p> <p>Add a new part two and three to the Sub-Clause 14.12:</p> <p>If the agreed Final Statement differs from the draft final statement, then, with the Final Statement, the Contractor shall submit a specified written notification of refusal from further claims, in which it is confirmed that the Final statement includes complete and full settlement for all sums due to the Contractor or in relation to the Contract.</p> <p>All payments received by the Employer in performance of obligations, shall first be allocated to covering the Employer’s costs occurring in relation to claims about fulfilment of obligations; secondly — to cover the interest according to the rules</p>

	of priority of payment thereof, thirdly — to contract penalties, and fourthly — to basic obligations.
14.13 Issue of Final Payment Certificate	The first sentence of part one of Sub-Clause 14.13, after “submitting documents” add “or in case of disagreements, the submission of Engineer’s drafted final statement to the Employer and the Contractor”.
14.14 Cessation of Employer’s liability	Delete part two of Sub-Clause 14.14.
14.15 Currencies of payment	Reword Sub-Clause 14.15 as follows: All payments under the Contract shall be settled in euros.
14.16 Repayment of excess moneys paid	Add a new Sub-Clause 14.16 [Repayment of excess moneys paid], as follows: The Contractor shall undertake, within 7 (seven) days after receiving the request, to repay to the Employer any excess moneys, which have been paid in addition to the payables. If the Contractor fails to replay such amounts before the deadline specified in the present sub-clause, the Employer shall be entitled to impose late interest in the amount of 0.1 (zero point one) per cent per day from the Accepted Contract Amount. Late interest shall be calculated for the period from the payment deadline date (excluding), until the date of payment (inclusive). Any partial payments shall first be used to cover the accrued penalties. The Contractor shall pay bank commissions for the repayment of amounts payable to the Employer.

15. Termination by Employer	
15.1 Notice to correct	In Sub-Clause 15.1, after “Engineer”, ad “and/or the Employer”.

<p>15.2</p> <p>Termination by Employer</p>	<p>Reword Sub-Clause 15.2 as follows:</p> <p>The Employer shall be entitled to unilaterally terminate the Contract, fully or with regard to a specific Section, in any of the below cases, if:</p> <p>(a) the Contractor has failed to comply with Sub-Clause 4.2 [<i>Performance Security (Contract performance security)</i>] or has failed to observe Clause 18 [Insurance];</p> <p>(b) the Contractor has not observed the provisions established in the statement submitted under Sub-Clause 15.1 [<i>Notice to correct</i>] or has failed to follow the instructions given by the Engineer under Sub-Clause 3.3 [Engineer’s instructions];</p> <p>(c) the Contractor abandons the Works or otherwise plainly demonstrates the intention not to continue performance of his obligations under the Contract, or the actual Rate of progress lags behind that established in sub-paragraphs of sub-clause 8.3 [<i>Programme</i>] for Project designing or Project construction works by more than 10 (ten) percent, unless the cause of such delay is the cases specified in Sub-Clause 17.3 [Employer’s risks]</p> <p>(d) the Contractor has not completed the Works or any Section thereof within the Work completion time;</p> <p>(e) the Contractor cannot perform the Works under Clause 8 [<i>Commencement, delays and suspension</i>];</p> <p>(f) the Contractor cannot fulfil the requirements specified in the statement issued under Sub-Clause 7.5 [<i>Rejection</i>] or 7.6 [<i>Works of remedying defects</i>] within 28 (twenty-eight) days after the receipt of this notice;</p> <p>(g) the Contractor has passed on his own or Subcontractor’s obligations prescribed in the Contract without the required agreement or has allowed that such a contractor has worked at the site, about whom the Employer and/or the Engineer has not been informed;</p> <p>(h) bankruptcy or a remedies procedure is initiated against the Contractor or, if the Contractor is an association of legal entities, with or without a legal personality, against any of the members/participants of the association, or he is becoming insolvent, has started a liquidation process or acts in the interests of an administrator, a manager or another authorised person acting in the interests of the Contractor’s creditors, or if similar procedures have been commenced against the Contractor, having similar effects to those mentioned above (pursuant to the Applicable Law or the national law applicable to the person subjected to it, thus, for instance, but not limited to local law of the registration country or the main place of operations);</p> <p>(i) any of the Contractor’s persons or if the Contractor is an association of legal persons, with or without a legal personality, then any of the members/participants</p>
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of the association, intermediaries or Subcontractors gives, accepts or offers (directly or indirectly) any type of bribe, gift, gratitude money, commissions or other valuable as an incentive or compensation for performing or undertaking to perform any activity in relation to the Contract;

(j) the Contractor has been involved in corruptive or fraudulent activity, when attempting to earn Contract or during its performance, and the Employer can prove it using any legal means. "Corruptive activities" for the purposes of the present paragraph means offering, giving or requesting any valuable in order to affect the conduct of an official or threats to hurt a person, damage their property or reputation in relation to the procurement procedure or the awarding of Contract to gain or maintain business advantage or other unjustified benefits related to business practice; and "fraudulent activities" means changing misleading facts to influence the procurement procedure or the granting of an awarded in a way that does not benefit the Employer and includes harmonised activity between Service providers (before and after submission of tenders), with the aim of achieving a deliberate, less competitive tender price level within the procurement procedure, thereby eliminating the possibility for the Employer to benefit from the procurement procedure;

(k) if the penalty to be paid by the Contractor and/or the Employer's damages reach 10 (*ten*) per cent of the Accepted Contract Amount;

(l) other events occur when the termination of the Contract is governed by Applicable Law existing in the State;

(m) the Cabinet of Ministers of the Republic of Latvia has passed a decision on the review of Project activities or priorities, and therefore the Employer's funding that they planned to use to cover payment commitments envisaged in the Contract is substantially reduced or taken away;

(n) the Employer fully or partially lacks access to funding for further funding of the performance of Works;

(o) the Employer forfeits the rights to implement the Project;

(p) the Employer no longer has the need to receive Works, giving up on the construction intent or implementation of a section;

(r) the Contractor or if the Contractor is an association of legal entities, with or without legal personality, then any of the members/participants of the association, has breached the Supplier declaration and it is found with a ruling of a competent authority that has taken effect.

In any of these cases, the Employer is entitled to unilaterally terminate the Contract, by notifying the Contractor and the Engineer about it at least

14 (*fourteen*) days in advance. However, in cases stipulated in sub-paragraphs (i), (j), (k) and (r), the Employer may unilaterally terminate the Contract, immediately informing the Contractor and the Engineer about it.

In any of the cases envisaged from sub-paragraph (a) through (l) and (r), the Employer shall reimburse the Contractor for Works duly performed under the Contract, however the Employer does not have the duty to reimburse the Contractor for the unearned profits and other losses that might arise in the event of such Contract termination, including but not limited to cases when the Contractor might suffer losses, having purchased Materials and/or Equipment necessary for Contract performance; the Employer may unilaterally withhold their claims towards the Contractor from any amounts to be paid to the Contractor.

In any of the cases envisaged from sub-paragraph (m) to (p), the Employer shall reimburse the Contractor only and solely:

(i) the costs of vacating the Work performance site, which includes (an exhaustive list): (1) Contractor's staff costs, i.e. the costs of letting go of the Contractor's site personnel in the amount of a salary of one calendar month and foreign personnel also accommodation costs for one calendar month, and the costs of letting go of the Contractor's workers, for Latvian tax residents — for the amount of one weekly salary, but for foreign tax residents — for the amount of two weekly salaries. The Contractor's personnel costs are reimbursed only to the Contractor's personnel, about which the Engineer has been notified no less than one week before the notice on early termination of the Contract. The Contractor's personnel costs must be justified with statements by the relevant tax administration confirming payment of tax. (2) Subcontractor's personnel costs, i.e. the costs of letting go of subcontractor's workers, for Latvian tax residents — for the amount of one weekly salary, but for foreign tax residents — for the amount of two weekly salaries. The Subcontractor's personnel costs are reimbursed only to the Subcontractor's personnel, about which the Engineer has been notified no less than one week before the notice on early termination of the Contract. The Subcontractor's personnel costs must be justified with statements by the relevant tax administration confirming the payment of tax (3) costs of hire of Mechanisms for 15 calendar days, which are calculated on the basis of the average daily hire rate of the respective mechanism over the last three months before the early termination of the Contract, to be justified with the Contractor's invoices and documents confirming invoices.

(ii) the cost of Materials and works, which includes (an exhaustive list):

(1) payment for Works duly performed in compliance with the Contract by the time of a notice on early termination of the Contract, to the extent approved by the Engineer; (2) payment for Materials and Equipment, which are delivered to the Work performance site before the time of a notice on early termination of the Contract (ownership to these Materials and Plant is transferred to the Employer). (3) payment for Materials and Plant specifically manufactured for the Contract performance, which have not been delivered to the Work performance site before the time of notice of early termination of the Contract. Payment for Materials and Equipment, which, by the time of notice of early termination of the Contract, were delivered to the Work performance site and for the Works is calculated based on the actual amounts and unit prices indicated in the detailed bills of quantities prepared pursuant to the Contract, as well as based on invoices issued by the suppliers of materials, and invoices issued by suppliers of similar materials over the last three months before early termination of the Contract. Payment for such Materials and Equipment specifically manufactured for the performance of the Contract, which have not been delivered by the time of early termination of Contract at the Work performance site will be calculated for the Materials and Equipment, the list of which was submitted by the Contractor to the Engineer within five days from the receipt of notice on early termination, and only for those Materials and Equipment listed, which the Engineer has deemed as manufactured specifically for the Contract performance and not freely marketable. To make calculations, the Contractor shall submit invoices and payment documents proving the actual costs. If the Employer instructs to deliver Materials and Plant to a specific location, the Employer shall cover transport costs (iii) remunerations and penalties payable to Subcontractors for early termination of subcontractor contracts, however not exceeding 2.5 % (two point five per cent) of the subcontractor contract amount for those contracts, of which the Engineer had been notified no less than 15 (fifteen) days before the notice on early termination of the Contract (iv) costs of vacating and preserving the Work performance site to the extent established by the Engineer.

(v) Costs of Works of Section One, if the early termination of the Contract takes place before the Certificate of Taking Over of Section One to the extent that corresponds to the actual progress of actual Section One works to the extent as specified by the Engineer.

(vi) the Contract Performance Security and Insurance costs incurred as pre-payment for a period after early termination of the Contract.

In any of the events envisaged in sub-paragraphs (m) through (p), the Employer shall not reimburse the Contractor for the costs of drafting the Contractor's tender. In any of the events envisaged in sub-paragraphs (m) through (p), the Employer shall reimburse the accumulated Retention Money, the Contractor's overheads and profits cannot be added to the costs calculated in accordance with this sub-clause, and the Retention Money and the calculated costs shall be paid to the Contractor only after a written confirmation that, after this amount is paid, they shall have and will not in the future have any material claims towards the Employer in relation to early termination of the Contract. The Employer does not have the duty to reimburse any other expenses, losses or costs. From any amounts to be paid to the Contractor, the Employer may unilaterally withhold claims towards the Contractor.

After the termination of the Contract, the Contractor shall leave the Work performance site and hand over to the Engineer, but, if so requested by the Employer, then to the Employer the Goods, Contractor's documents and other designing and construction documentation prepared by the Contractor or prepared for his needs. However, the Contractor shall invest every effort to immediately fulfil all justified instructions included in the notification as regards:

- (i) assignation of obligations of any sub-contract, and
- (ii) protection of life and property or Labour safety.

After the Contract is terminated in any of the cases stipulated in sub-paragraph (a) through (l) and (r), the Employer is entitled to complete the Works and/or agree on the completion of Works with any other person. The Employer and such contractors may use any Goods, Contractor's documents and other designing and construction documentation prepared by the Contractor or a person acting on behalf of the Contractor.

Furthermore, in any of the events envisaged in sub-paragraphs (a) through (l) and (r), the Contractor shall reimburse any losses to the Employer, including but not limited to, the price difference occurring when the Employer orders the required goods, services or works from third parties. In such case, the Employer informs that the Contractor's equipment and Temporary Works will be returned to the Contractor at the Work performance site or in its vicinity. The Contractor shall, at own risk and cost, immediately organise their removal. However, if until this time, the Contractor has not made a payment that is due to the Employer, the Employer

	may sell these items to recover this amount. The balance from the sale shall then be paid out to the Contractor.
15.5 Employer's entitlement to termination	Delete Sub-Clause 15.5.

16. Suspension and Termination by Contractor	
16.1 Contractor's entitlement to suspend work	<p>Reword part one of Sub-Clause 16.1 as follows:</p> <p>If the Engineer fails to certify a payment in accordance with Sub-Clause 14.6 [<i>Issue of Interim Payment Certificates</i>] for more than 30 (thirty) days or the Employer delays payments by more than 30 (thirty) days in accordance with Sub-Clause 14.7 [<i>Payment</i>], the Contractor may, before the payment is certified or received, reduce the rate of progress, by giving at least 21 days notice to the Employer and the Engineer about the intended decrease of the rate of progress.</p> <p>In the second part of Sub-Clause 16.1, replace “additional financing charge” with “late interest”.</p> <p>Delete sub-paragraph (b) of part four of Sub-Clause 16.1.</p>
16.2 Termination by the Contractor	<p>Delete sub-paragraphs (a), (d), (e) and (g) of Sub-Clause 16.2.</p> <p>Reword Sub-Clause 16.2, sub-paragraph (b) as follows:</p> <p>(b) the relevant Payment Certificate is not issued within 56 days after receiving a Statement and supporting documents;</p> <p>delete the second sentence in part two of Sub-Clause 16.2.</p>

<p>16.3 Cessation of Work and Removal of Contractor's Equipment</p>	<p>Add a new part to Sub-Clause 16.3 as follows:</p> <p>For failure to fulfil obligations prescribed in sub-paragraphs (a) and/or (b) and/or (c) of this sub-clause within the deadlines set by the Engineer or the Employer, the Employer shall be entitled to impose and the Contractor shall undertake to pay a penalty of EUR 5000.00 (five thousand euros, 00 cents) per day until the obligations are adequately fulfilled, however not exceeding 10 % (ten per cent) of the Accepted Contract Amount.</p>
<p>16.4 Payment on termination</p>	<p>Reword Sub-Clause 16.4, sub-paragraph (b) as follows:</p> <p>(b) reimburse the Contractor only and solely:</p> <p>(i) the costs of vacating the Work performance site, which includes (an exhaustive list): (1) Contractor's staff costs, i.e. the costs of letting go of the Contractor's site personnel in the amount of a salary of one calendar month and foreign personnel also accommodation costs for one calendar month, and the costs of letting go of the Contractor's workers, for Latvian tax residents — for the amount of one weekly salary, but for foreign tax residents — for the amount of two weekly salaries. The Contractor's personnel costs are reimbursed only to the Contractor's personnel, about which the Engineer has been notified no less than one week before the notice on early termination of the Contract. The Contractor's personnel costs must be justified with statements by the relevant tax administration confirming payment of tax. (2) Subcontractor's personnel costs, i.e. the costs of letting go of subcontractor's workers, for Latvian tax residents — for the amount of one weekly salary, but for foreign tax residents — for the amount of two weekly salaries. The Subcontractor's personnel costs are reimbursed only to the Subcontractor's personnel, about which the Engineer has been notified no less than one week before the notice on early termination of the Contract. The Subcontractor's personnel costs must be justified with statements by the relevant tax administration confirming the payment of tax (3) costs of hire of Mechanisms for 15 calendar days, which are calculated on the basis of the average daily hire rate of the respective mechanism over the last three months before the early termination of the Contract, to be justified with the Contractor's invoices and documents confirming invoices.</p> <p>(ii) the cost of Materials and works, which includes (an exhaustive list): (1) payment for Works duly performed in compliance with the Contract by the time of a notice on early termination of the Contract, to the extent approved by the Engineer; (2) payment for Materials and Equipment, which are delivered to the Work performance site before the time of a notice on early termination of the Contract (ownership to these Materials and Plant is transferred to the Employer).</p>

(3) payment for Materials and Plant specifically manufactured for the Contract performance, which have not been delivered to the Work performance site before the time of notice of early termination of the Contract. Payment for Materials and Equipment, which, by the time of notice of early termination of the Contract, were delivered to the Work performance site and for the Works is calculated based on the actual amounts and unit prices indicated in the detailed bills of quantities prepared pursuant to the Contract, as well as based on invoices issued by the suppliers of materials, and invoices issued by suppliers of similar materials over the last three months before early termination of the Contract. Payment for such Materials and Plant specifically manufactured for the performance of the Contract, which have not been delivered by the time of early termination of Contract at the Work performance site will be calculated for the Materials and Equipment, the list of which was submitted by the Contractor to the Engineer within five days from the receipt of notice on early termination, and only for those Materials and Equipment listed, which the Engineer has deemed as manufactured specifically for the Contract performance and not freely marketable. To make calculations, the Contractor shall submit invoices and payment documents proving the actual costs. If the Employer instructs to deliver Materials and Equipment to a specific place, the Employer shall cover transportation costs;

(iii) compensations and penalties to be paid to subcontractors for early termination of subcontractor contracts, however not exceeding 2.5 % (two point five per cent) from the subcontractor contract amount for those contracts, which were notified to the Engineer at least 15 (fifteen) days before the notice on early termination of the Contract.

(iv) costs of vacating and preserving the Work performance site to the extent specified by the Engineer.

(v) Costs of Works of Section One, if the early termination of the Contract takes place before the Certificate of Taking Over of Section One to the extent that corresponds to the actual progress of actual Section One works to the extent as specified by the Engineer.

(vi) the Contract Performance Security and Insurance costs incurred as pre-payment for a period after early termination of the Contract.

In any of the events envisaged in sub-paragraphs (m) through (p), the Employer shall not reimburse the Contractor for the costs of drafting the Contractor's tender. In any of the events envisaged in sub-paragraphs (m) through (p), the Employer shall reimburse the accumulated Retention Money, the Contractor's overheads and profits cannot be added to the costs calculated in accordance with

	<p>this sub-clause, and the Retention Money and the calculated costs shall be paid to the Contractor only after a written confirmation that, after this amount is paid, they shall have and will not in the future have any material claims towards the Employer in relation to early termination of the Contract. The Employer does not have the duty to reimburse any other expenses, losses or costs. From any amounts to be paid to the Contractor, the Employer may unilaterally withhold claims towards the Contractor.</p> <p>Delete sub-paragraph (c) of Sub-Clause 16.4.</p>
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<p>17. Risk and responsibility</p>	
<p>17.1 Indemnities</p>	<p>Reword Sub-Clause 17.1 as follows:</p> <p>The Contractor shall indemnify and hold harmless the Employer, the Employer’s Personnel and their respective agents, against and from all claims, damages, losses and expenses (including legal fees and expenses) in respect of:</p> <p>(a) bodily injury, sickness, disease or death, of any person whatsoever arising out of or in the course of or by reason of the design, the execution and completion of the Works and the remedying of any defects, unless attributable to any negligence, wilful act of the Employer, the Employer’s Personnel or a respective agent thereof, and</p> <p>(b) damage to or loss of any property, real or personal (other than the Works), to the extent that such damage or loss:</p> <p>(i) arises out of or in the course of the designing, execution and completion of Works and the remedying of any Defects, and</p> <p>(ii) is attributable to any negligence, wilful act or breach of the Contract by the Contractor, the Contractor’s Personnel, their respective agents, or anyone directly or indirectly employed by any of them.</p>
<p>17.2 Contractor’s care of the Works</p>	<p>Reword part one of Sub-Clause 17.2 as follows:</p> <p>The Contractor shall take full responsibility for the care of the Works and Goods from the Commencement Date until all Taking-Over Certificates are issued. A Taking-Over Certificate of a Section shall not release the Contractor from responsibility as prescribed hereunder.</p>

<p>17.3 Employer’s risks</p>	<p>Delete sub-paragraphs (f) and (g) of Sub-Clause 17.3.</p>
<p>17.4 Consequences of Employer’s risks</p>	<p>Reword Sub-Clause 17.4 as follows:</p> <p>If any of the risk situations listed in Sub-Clause 17.3 above results in loss or damage of the Works, Goods or Contractor’s Documents, the Contractor shall promptly give notice to the Employer and the Engineer and rectify this loss or damage to the extent required by the Engineer.</p> <p>If the Contractor suffers delay and/or incurs Cost from rectifying this loss or damage, the Contractor shall give a notice to the Engineer and shall be entitled subject to Sub-Clause 20.1 [<i>Contractor’s claims</i>] to:</p> <p>(a) an extension of time for any such delay, if the completion of Works is or will be delayed, pursuant to Sub-Clause 8.4 [<i>Extension of time for completion</i>]; and</p> <p>(b) compensation of direct costs;</p> <p>Upon receiving this notice, the Engineer shall proceed in accordance with Sub-Clause 3.5 [<i>Determinations</i>] to agree or determine these matters. It is understood that, if only a part of Works is affected, the Contractor shall, without delay, perform the other parts of Works that are not affected by these circumstances.</p>
<p>17.5 Intellectual and Industrial Property Rights</p>	<p>Delete part two of Sub-Clause 17.5.</p> <p>In paragraph (b) (ii) of Sub-Clause 17.5 replace the “Base date” with “Contract Agreement”.</p> <p>Add a new part to Sub-Clause 17.5 as follows:</p> <p>Indemnity established with the present sub-clause constitutes the Contractor’s duty to immediately (within 10 days after the receipt of the relevant invoice to the Contractor) cover all costs suffered by the Employer as a result of a relevant claim, including all costs relating to adjudication of legal proceedings are initiated (including lawyers fees and payments to other professionals and specialists). The Contractor shall promptly cover all the Employer’s costs related to amounts adjudicated by the court to the Employer, all costs arising from an agreement or settling a claim before the start of court proceedings. The Parties agree to deem such costs as the Employer’s losses that shall be reimbursed by the Contractor.</p>

<p>17.6 Limitation of liability</p>	<p>Reword Sub-Clause 17.6 as follows: The payment of any penalties prescribed in the Contract shall not release the Contractor from the duty to properly fulfil obligations arising from the Contract, and the Contractor has the duty to pay to the Employer the relevant penalty amounts, and additionally fully compensating for the losses inflicted upon the Employer, and fully execute the obligations undertaken with the Contract.</p>
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<p>18. Insurance</p>	
<p>18.1 General requirements for insurance</p>	
<p>18.2 Insurance for Works, Materials and Contractor's Equipment</p>	
<p>18.3 Mandatory civil liability insurance of the Contractor (performer of construction works) and mandatory civil liability insurance of construction specialists involved in the construction works</p>	
<p>18.4 Insurance for Contractor's Personnel</p>	
<p>18.5 – Designer's professional civil liability insurance and professional civil liability insurance of construction specialists involved in designing</p>	

18.6 – Contractor’s obligations towards insurers	
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19. Force Majeure	Reword Clause 19 as follows:
19.1 Definition of force majeure	<p>In this Clause, “Force Majeure” means an exceptional event or circumstances:</p> <ul style="list-style-type: none"> (a) which is beyond a Party’s control; (b) which such Party could not reasonably have provided against before entering into the Contract, as well as during the Contract; (c) which, having arisen, such Party could not reasonably have avoided or overcome; and (d) which is not substantially attributable to the other Party. <p>Force Majeure may include, but is not limited to, exceptional events or circumstances of the kind listed below, so long as conditions (a) to (d) above are satisfied:</p> <ul style="list-style-type: none"> (i) war, hostilities (whether declared or not), invasion, act of foreign enemies; (ii) rebellion, terrorism, revolution, insurrection, military or usurped power, or civil war; (iii) riot, commotion, disorder, strike or lockout by persons other than the Contractor’s Personnel and other employees of the Contractor and Subcontractors; (iv) munitions of war, explosive materials, ionising radiation or contamination by radio-activity, except as may be attributable to the Contractor’s use of such munitions, explosives, radiation or radio-activity; and (v) natural catastrophes such as earthquake, hurricane, typhoon or volcanic activity. <p>When organising the logistics, the Contractor must duly assess the deliveries of Goods and take into account the existing and potential regional peculiarities, ordinary and potential conditions in the relevant places of origins, transportation of Goods in a way that the transportation, delivery of Goods and fulfilment of Works and the Contract is not hindered.</p>
19.2 Notice of Force Majeure	<p>If a Party is or will be prevented from performing any of its obligations by Force Majeure, then that Party shall give notice to other Parties of the event or circumstances constituting the Force Majeure and shall specify the obligations, the performance of which is or will be prevented. The notice shall be given within 14 days after the Party became aware, or should have become aware, of the relevant event or circumstance constituting Force Majeure.</p> <p>The Party may, having given notice, be excused performance of such obligations for so long as such Force Majeure prevents it from performing them.</p> <p>Notwithstanding any other provisions of this Clause, Force Majeure shall not apply to obligations of either Party to make payments to the other Party under the Contract. If the Contractor is unable to perform any of the obligations under the Contract due to force majeure, which has been notified in accordance with</p>

	Sub-Clause 19.2 [<i>Notice on Force Majeure</i>], the Employer may postpone any payment to be made under the Contract, while force majeure circumstances exist and until the Engineer has made a decision envisaged in Sub-Clause 19.4.
19.3 Duty to minimise delay	Each Party shall at all times use all reasonable endeavours to minimise any delay in the performance of the Contract as a result of Force Majeure. A Party shall give notice to the other Party when it ceases to be affected by the Force Majeure.
19.4 Consequences of Force Majeure	If the Contractor is prevented from performing any of his obligations under the Contract by Force Majeure of which notice has been given under Sub-Clause 19.2 [<i>Notice of Force Majeure</i>], and suffers delay and/or incurs Cost by reason of such Force Majeure, the Contractor shall be entitled subject to Sub-Clause 20.1 [<i>Contractor's Claims</i>] to: (a) an extension of the time for any such delay, if the completion of Works is or will be delayed under Sub-Clause 8.4 [<i>Extension of time for completion</i>], and (b) compensation of any such Cost if the event or circumstance is of the kind described in sub-paragraphs (a) to (d) of Sub-Clause 19.1 [<i>Definition of Force Majeure</i>] and, in the case of sub-paragraphs (i) to (v), occurs in the State. After receiving this notice, the Engineer shall proceed in accordance with Sub-Clause 3.5 [<i>Determinations</i>] to agree or determine these matters.
19.5 Force Majeure Affecting Subcontractor	If any Subcontractor is entitled under any contract or agreement relating to the Works to relief from obligations due to force majeure circumstances additional to or broader than those specified in this Clause, such additional or broader events or circumstances shall not excuse or release the Contractor from performance of set obligations.
19.6 Optional Termination, Payment and Release	If the execution of substantially all the Works in progress is prevented for a continuous period of 84 days by reason of Force Majeure of which notice has been given under Sub-Clause 19.2 [<i>Notice of Force Majeure</i>], or for multiple periods which total more than 140 days due to the same notified Force Majeure, then either Party may give to the other Party a notice of termination of the Contract. In this event, the termination shall take effect 28 days after the notice is given, and the Contractor shall proceed in accordance with Sub-Clause 16.3 [<i>Cessation of Work and Removal of Contractor's Equipment</i>]. Upon such termination, the Engineer shall determine the value of the work done and issue a Payment Certificate which shall include: (a) the amount payable for any work carried out, for which a price is stated in the Contract; (b) the Cost of Equipment and Materials ordered for the Works (pre-approved by the Engineer), the payment of which was not certified, performed (incl. within the framework of sub-paragraph (a)) and where are delivered at the Work performance site, and the Contractor is liable that these Plant and Materials become unrestricted property of the Employer (assuming all risk, incl. the risk of chance until such time that these Plant and Material become the

	Employer’s property, and the Contractor has handed them over to the Employer with the relevant documentation).
19.7 Release from performance under the Law	<p>Notwithstanding any other provision of this Clause, if any event or circumstance outside the control of the Parties (including, but not limited to, Force Majeure) arises which makes it impossible or unlawful for either or both Parties to fulfil its or their contractual obligations or which, under the law governing the Contract, entitles the Parties to be released from further performance of the Contract, then upon notice by either Party to the other Party of such event or circumstance:</p> <p>(a) the Parties shall be discharged from further performance, without prejudice to the rights of either Party in respect of any previous breach of the Contract, and</p> <p>(b) the sum payable by the Employer to the Contractor shall be the same as would have been payable under Sub-Clause 19.6 [<i>Optional Termination, Payment and Release</i>] if the Contract had been terminated under Sub-Clause 19.6.</p>

20. Claims, disputes and arbitration	Reword Clause 20 as follows:
20.1 Contractor’s claims	<p>If the Contractor considers himself to be entitled to any extension of the Time for Completion and/or any additional payment, under any Clause of these Conditions or otherwise in connection with the Contract, the Contractor shall give notice to the Engineer, describing the event or circumstance giving rise to the claim. The notice shall be given as soon as practicable, and not later than 28 days after the Contractor became aware, or should have become aware, of the event or circumstance.</p> <p>If the Contractor fails to give notice of a claim within such period of 28 days, the Time for Completion shall not be extended, the Contractor shall not be entitled to additional payment, and the Employer shall be discharged from all liability in connection with the claim. Otherwise, the following provisions of this Sub-Clause shall apply.</p> <p>The Contractor shall also submit any other notices which are required by the Contract, and supporting particulars for the claim, all as relevant to such event or circumstance.</p> <p>The Contractor shall keep such contemporary records as may be necessary to substantiate any claim, either on the Site or at another location acceptable to the Engineer. Without admitting the Employer’s liability, the Engineer may, after receiving any notice under this Sub-Clause, monitor the record-keeping and/or instruct the Contractor to keep further contemporary records. The Contractor shall permit the Engineer to inspect all these records, and shall (if instructed) submit copies to the Engineer.</p> <p>Within 28 days after the Contractor became aware (or should have become aware) of the event or circumstance giving rise to the claim, or within such other period as may be proposed by the Contractor and approved by the Engineer, the Contractor shall send to the Engineer a fully detailed claim which includes full</p>

	<p>supporting particulars of the basis of the claim and of the extension of time and/or additional payment claimed. If the event or circumstance giving rise to the claim has a continuing effect:</p> <p>(a) this fully detailed claim shall be considered as interim;</p> <p>(b) the Contractor shall send further interim claims at monthly intervals, giving the accumulated delay and/or amount claimed, and such further particulars as the Engineer may reasonably require; and</p> <p>(c) the Contractor shall send a final claim within 28 days after the end of the effects resulting from the event or circumstance, or within such other period as may be proposed by the Contractor and approved by the Engineer.</p> <p>Within 42 days after receiving a claim or any further particulars supporting a previous claim, or within such other period as may be proposed by the Engineer and approved by the Contractor, the Engineer shall respond with approval, or with disapproval and detailed comments. The Engineer may also request any necessary further particulars, but shall nevertheless give his response on the principles of the claim within such time.</p> <p>Each Payment Certificate shall include such amounts for any claim as have been reasonably substantiated as due under the relevant provision of the Contract and approved by the Engineer. Unless and until the particulars (claim) supplied by the Contractor are sufficient and before the Engineer’s approval is received for the relevant claim, the Contractor shall not be entitled to a payment of the respective claim.</p> <p>The Engineer shall proceed in accordance with Sub-Clause 3.5 [<i>Determinations</i>] to agree or determine (i) the extension (if any) of the Time for Completion (before or after its expiry) in accordance with Sub-Clause 8.4 [<i>Extension of Time for Completion</i>], and/or (ii) the additional payment (if any) to which the Contractor is entitled under the Contract.</p> <p>The requirements of this Sub-Clause are in addition to those of any other Sub-Clause which may apply to a claim. If the Contractor fails to comply with this or another Sub-Clause in relation to any claim, any extension of time and/or additional payment shall take account of the extent (if any) to which the failure has prevented or prejudiced proper investigation of the claim, unless the claim is excluded under the second paragraph of this Sub-Clause.</p>
<p>20.2 Appointment of the Dispute Adjudication Board</p>	<p>Delete Sub-Clause 20.2.</p>
<p>20.3 Failure to Agree Dispute Adjudication Board</p>	<p>Delete Sub-Clause 20.3.</p>
<p>20.4 Obtaining Dispute Adjudication Board’s Decision</p>	<p>Delete Sub-Clause 20.4.</p>

<p>20.5 Amicable Settlement</p>	<p>Delete Sub-Clause 20.5.</p>
<p>20.6 Arbitration</p>	<p>Any disputes, which the Employer and the Contractor fail to settle amicably, shall be finally settled by a court of general jurisdiction of the Republic of Latvia, designating Riga City Vidzeme Suburb Court as the first instance court according to jurisdiction under the Applicable Law. The Applicable Law shall apply to the interpretation of the Contract and resolution of disputes.</p> <p>Any disputes, which the Engineer and the Contractor fail to settle amicably, shall be finally settled by a court of general jurisdiction of the Republic of Latvia, designating Riga City Vidzeme Suburb Court as the first instance court according to jurisdiction under the Applicable Law. The Applicable Law shall apply to the interpretation of the Contract and resolution of disputes.</p> <p>The Parties' obligations shall not be modified due to dispute or litigation pending between the Parties during the Work performance, incl. between all or only two of the Parties. Furthermore, neither Party is entitled to suspend or delay the completion of their part of Contract only because there is a dispute, litigation pending during the Work performance, incl. between all or only two of the Parties; int. al., the Contractor may not refuse to fulfil the Engineer's determinations, instructions, regarding which disputes exist, except if a court ruling has taken effect with regard to the respective Engineer's determination, instruction, which suspends or ceases the challenged Engineer's determination or instruction.</p>
<p>20.7 Failure to Comply with Dispute Adjudication Board's Decision</p>	<p>Delete Sub-Clause 20.7.</p>
<p>20.8 Expiry of Dispute Adjudication Board's Appointment</p>	<p>Delete Sub-Clause 20.8.</p>