

AGREEMENT

ON

INTERIM FINANCING OF RB RAIL AS

BETWEEN

RB RAIL AS

**MINISTRY OF ECONOMIC AFFAIRS AND COMMUNICATIONS OF
THE REPUBLIC OF ESTONIA**

MINISTRY OF TRANSPORT OF THE REPUBLIC OF LATVIA

**MINISTRY OF TRANSPORT AND COMMUNICATIONS OF THE
REPUBLIC OF LITHUANIA**

RAIL BALTIC ESTONIA OÜ

EIROPAS DZELZCEĻA LĪNIJAS SIA

RAIL BALTICA STATYBA UAB

13 December 2017

THE PARTIES

- (1) **RB Rail AS**, a joint stock company registered in the Commercial Registry of Latvia with No 40103845025, registered address at K.Valdemāra iela 8 - 7, LV-1010, Riga, Latvia, represented by Chairperson of the Management Board, Ms Baiba Anda Rubesa and Member of the Management Board, Mr Ignas Degutis and
- (2) **Ministry of Economic Affairs and Communications of the Republic of Estonia**, registration No 70003158, registered address at Suur-Ameerika 1, Tallinn, 10122, Estonia, represented by Secretary General, Ms Merike Saks, , as Beneficiary, and
- (3) **Ministry of Transport of the Republic of Latvia**, registration No LV90000088687, registered address at Gogoļa iela 3, LV-1743, Riga, Latvia, represented by State Secretary, Mr Kaspars Ozoliņš, as Beneficiary, and
- (4) **Ministry of Transport and Communications of the Republic of Lithuania**, registration No 188620589, registered address at Gedimino ave. 17, 01505 Vilnius, Lithuania, represented by Chancellor, Ms Inga Černiuk, as Beneficiary, and
- (5) **Rail Baltic Estonia OÜ**, registration No 12734109, registered address at Narva mnt 5, Tallinn 10117 Estonia, represented by Member of the Management Board, Mr Indrek Orav, and
- (6) **Eiropas dzelzceļa līnijas SIA**, a limited liability company registered in the Commercial Registry of Latvia with No 40103836785, registered address at Gogoļa iela 3, LV-1050, Riga, Latvia, represented by Member of the Management Board, Mr Andris Linužs, and
- (7) **UAB "Rail Baltica statyba"**, a private limited liability company registered with the Register of Legal Entities of the Republic of Lithuania, company code 303227458, registered address Mindaugo g. 12, Vilnius, Lithuania, represented by Director, Mr Karolis Sankovski,

for the purposes of this Agreement hereinafter also referred to as the "**Party**" or the "**Parties**",

WHEREAS

- (A) Rail Baltica is a new fast conventional double track electrified railway line with the maximum design speed of 240 km/h and European standard gauge (1435mm) on the route from Tallinn through Pärnu-Riga-Panevezys-Kaunas to Lithuanian-Polish state border, with the connection of Vilnius-Kaunas, thus, located in the territories of the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania.
- (B) In Clause 6.1 of the Agreement on the Contracting Scheme the Shareholders have undertaken to negotiate and agree on an interim financing agreement for ensuring sustainable financing of the operation of RB Rail AS activities in relation to the implementation of the Global Project.
- (C) Wishing to agree on ensuring sustainable financing of RB Rail AS so as to enable successful implementation of Rail Baltica project by all parties involved, while respecting the RB Rail AS budget approval and implementation procedures as stipulated in the Shareholders' Agreement, starting from 1 January 2018, by:
 - (i) Re-distributing the CEF1 second pre-financing payment differently than envisaged by the Amended 2016 ASR in order to provide a measure of financial float for RB Rail AS and the other

relevant Parties implementing the CEF 1 activities, so as to more adequately take into account the planned expenditures of the Parties for achieving the expected results of the project and its activities;

- (ii) Agreeing on equitable budget transfers according to Article II.22 of CEF1 and CEF2 Grant Agreements, which will increase the part of project implementation support measures under CEF1 and CEF2 available to RB Rail AS;
 - (iii) Agreeing on an investment into the share capital of RB Rail AS by Shareholders in 2018.
 - (iv) Committing to discuss and agree on the approach for sustainable financing RB Rail AS activities in relation to the implementation of the Global Project from 2019 onwards.
- (D) Noting that on 31 January 2017 an Agreement Between the Government of the Republic of Latvia, the Government of the Republic of Estonia and the Government of the Republic of Lithuania on the Development of the Rail Baltic/Rail Baltica Railway Connection was signed, stating that the preparatory activities and the construction of the railway until its completion and achieving full technical functionality shall be coordinated by RB Rail AS.

The Parties have concluded this agreement (the “**Agreement**”) as follows.

1. DEFINITIONS

- 1.1. The Parties agree that in this Agreement the words and phrases are used in their meaning which would be ordinarily attributed to such words and phrases by a legal professional in the United Kingdom, except the following words and phrases have the following meaning:
- 1.1.1. „**Activities**“ means activities which are listed in Annex 1 „Description of the action“ to the Grant Agreements for CEF1 and CEF2.
 - 1.1.2. “**Agreement on the Contracting Scheme**” means the Agreement on the Contracting Scheme between RB Rail AS, Ministry of Economic Affairs and Communications of the Republic of Estonia, Ministry of Transport of the Republic of Latvia, Ministry of Transport and Communications of the Republic of Lithuania, Estonian Technical Regulatory Authority, Rail Baltic Estonia OÜ, Eiropas dzelzceļa līnijas SIA, Akcinė bendrovė Lietuvos geležinkeliai and UAB “Rail Baltica statyba”, dated 30 September 2016.
 - 1.1.3. “**Amended 2017 ASR**” means the Action Status Report, as described in Section II.23.1 of the Grant Agreement under the Connecting Europe Facility (CEF) – Transport Sector, Agreement No INEA/CEF/TRAN/M2014/1045990 and Grant Agreement under the Connecting Europe Facility (CEF) – Transport Sector, Agreement No INEA/CEF/TRAN/M2015/1129482, initially dated 27 March 2017 and upon a request by the Innovation and Networks Executive Agency adjusted on 7 June 2017 to reflect changes in the planned activities.
 - 1.1.4. “**Beneficiaries**” mean Ministry of Economic Affairs and Communications of the Republic of Estonia, Ministry of Transport of the Republic of Latvia, the Ministry of

Transport and Communications of the Republic of Lithuania and RB Rail AS, in their role as parties to the CEF1 and CEF2.

- 1.1.5. „**CEF**“ means the Connecting Europe Facility established by the Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010.
- 1.1.6. „**CEF Grant**“ means the financial contribution from CEF which the Innovation and Networks Executive Agency in its role as the CEF implementing agency has allocated for the implementation of the Rail Baltica project in accordance with the grant agreement concluded with the Beneficiaries.
- 1.1.7. „**CEF1**“ means the CEF Grant granted on the basis of the Grant Agreement under the Connecting Europe Facility (CEF) – Transport Sector, Agreement No INEA/CEF/TRAN/M2014/1045990.
- 1.1.8. „**CEF2**“ means the CEF Grant granted on the basis of the Grant Agreement under the Connecting Europe Facility (CEF) – Transport Sector, Agreement No INEA/CEF/TRAN/M2015/1129482.
- 1.1.9. „**Global Project**“ means all the activities undertaken by the Parties in order to build, render operational and commercialize the Rail Baltica railway and related railway infrastructure in accordance with the agreed route, technical parameters and time schedule.
- 1.1.10. „**Implementing Bodies**“ means OÜ Rail Baltic Estonia, SIA „Eiropas dzelzceļa līnijas“, UAB „Rail Baltica statyba“, AB „Lietuvos geležinkeliai“ and Estonian Technical Regulatory Authority, as well as shall mean any other implementing body so designated by the Beneficiaries in CEF Grant Agreements in future.
- 1.1.11. „**Inter-Beneficiary Agreement**“ means the Inter-Beneficiary Agreement between RB Rail AS and Ministry of Economic Affairs and Communications of the Republic of Estonia, Ministry of Transport of the Republic of Latvia and Ministry of Transport and Communications of the Republic of Lithuania dated 16 June 2016.
- 1.1.12. „**Shareholders**“ means shareholders of RB Rail AS: OÜ Rail Baltic Estonia, SIA „Eiropas dzelzceļa līnijas“ and UAB „Rail Baltica statyba“.
- 1.1.13. „**Shareholders' Agreement**“ means Shareholders' Agreement relating to RB Rail AS between OÜ Rail Baltic Estonia, SIA „Eiropas dzelzceļa līnijas“ and UAB „Rail Baltica statyba“, dated 28 October 2014, to which RB Rail AS adhered to on 1 December 2014.

2. FINANCING OF RB RAIL AS ACTIVITIES FOR PROJECT IMPLEMENTATION IN 2018

- 2.1. On the basis of the Amended 2017 ASR the Beneficiaries agree to re-distribute the CEF1 second pre-financing payment which RB Rail AS received on 15 May 2017 in the amount of EUR 5,781,200 as follows:
 - (a) Ministry of Economic Affairs and Communications of the Republic of Estonia and Ministry of Transport and Communications of the Republic of Lithuania shall receive EUR 0;

- (b) EUR 1,333,225.00 shall be distributed to RB Rail AS. RB Rail AS shall transfer this amount of money to the relevant bank account within 10 (ten) business days from the day of entering of this Agreement in effect;
- (c) EUR 483,810.39 shall be distributed to the Ministry of Transport of the Republic of Latvia. RB Rail AS shall transfer this amount of money to the relevant bank account within 10 (ten) business days from the day of entering of this Agreement in effect.

2.2. Based on Article II.22 of CEF1 and CEF2 Grant Agreements the Beneficiaries agree to re-allocate the budget set out in CEF1 and CEF2 Grant Agreement Table 2 of Annex III as follows (if all conditions set in this Agreement are fulfilled):

- (a) Eligible cost budget reallocation will depend on needed CEF budget reallocation. If the activity from which the budget is reallocated has the rate of reimbursement of eligible costs from CEF Grant 81%, then eligible cost budget reallocation shall be in the amount of 81% from the calculated budget reallocation (factor X below). If the activity from which the budget is reallocated has the rate of reimbursement of eligible costs from CEF Grant 85%, then eligible cost budget reallocation shall be in the amount of 85% from the calculated budget reallocation (factor X below).
- (b) The amount of the needed CEF budget re-allocation for cash flow of RB Rail AS shall be calculated in accordance with the following formula:

$$X = (B - S - C - O) : 3$$

in which:

- (i) „X“ is the amount of the budget re-allocation by each: Ministry of Economic Affairs and Communications of the Republic of Estonia, Ministry of Transport of the Republic of Latvia and Ministry of Transport and Communications of the Republic of Lithuania;
- (ii) „B“ is the total amount of the approved annual budget of RB Rail AS for fiscal year 2018;
- (iii) „S“ is the total amount of the investments into the share capital of RB Rail AS in 2018;
- (iv) „C“ is the estimated total amount of the CEF financial resources to be received by RB Rail AS in 2018 dedicated to RB Rail AS CEF activities.
- (v) „O“ is the estimated opening cash balance of RB Rail AS on 1 January 2018, if the annual budget of RB Rail AS is approved before 1 January 2018, or the actual opening cash balance of RB Rail AS on 1 January 2018, if the annual budget of RB Rail AS is approved after 1 January 2018.
- (c) RB Rail AS can perform the CEF budget re-allocation in line with this Agreement by common notice to other Beneficiaries, which shall include the calculated needed CEF budget re-allocation. However, the budget re-allocation shall in any event not exceed EUR 1,700,000 from each: Ministry of Economic Affairs and Communications of the Republic of

Estonia, Ministry of Transport of the Republic of Latvia and Ministry of Transport and Communications of the Republic of Lithuania.

- (d) The budget re-allocation from Ministry of Economic Affairs and Communications of the Republic of Estonia shall take place from activity A14 A1.2.8. Conformity Assessment (technical validation), with the intensity of reimbursement of eligible costs from CEF Grant 85%, to RB Rail AS activity A34 A5.1.1. Project implementation support measures. For that purpose RB Rail AS shall withhold and shall transfer the calculated budget re-allocation from CEF1 second pre-financing payment which RB Rail AS received on 15 May 2017 to the appropriate RB Rail AS bank account within 10 (ten) business days from the day of notice to other Beneficiaries in accordance with Clause 2.2(c). The national co-financing for the activities A1, A2, A3, A4, A5, A6, A34, A39 has been budgeted through already made or foreseen investment of OÜ Rail Baltic Estonia in the share capital of RB Rail AS unless other agreement will be reached with respect to Clause 3.
- (e) The budget re-allocation from Ministry of Transport of the Republic of Latvia shall take place from activity A23 A2.3.3 Detailed technical design for railway line in Central section of financial part implemented on behalf of the Beneficiary by RB Rail AS with the intensity of reimbursement of eligible costs from CEF Grant 85%, to RB Rail AS activity A34 A5.1.1. Project implementation support measures. For that purpose RB Rail AS shall withhold and shall transfer the calculated budget re-allocation from the CEF1 second pre-financing payment which RB Rail AS received on 15 May 2017 to the appropriate RB Rail AS bank account within 10 (ten) business days from the day of the notice to other Beneficiaries in accordance with Clause 2.2(c). The national co-financing for the activities A1, A2, A3, A4, A5, A6, A34, A39 has been budgeted through already made or foreseen investment of Eiropas dzelzceļa līnijas SIA in the share capital of RB Rail AS unless other agreement will be reached with respect to Clause 3.
- (f) In relevance to the point (e) due to the fact that activity A23 A2.3.3 "Detailed technical design for railway line in Central section" on behalf of the Ministry of Transport of the Republic of Latvia is implemented both by Eiropas dzelzceļa līnijas SIA and RB Rail AS, the amount foreseen for Eiropas dzelzceļa līnijas SIA subfinancial part eligible cost is EUR 5,176,519.61, while for the RB Rail AS subfinancial part eligible cost is foreseen EUR 17,323,480.39. In case of the budget shortage for the activity A23 A2.3.3, the Parties shall seek for the solution to implement the activity as defined in Clause 2.4.
- (g) Based on Article II.22 of CEF2 Grant Agreement the Beneficiaries agree to re-allocate the budget from Ministry of Transport and Communications of the Republic of Lithuania from activity B3.4.4: Construction of the section Kaunas (Palemonas RRT) - Panevėžys-LT/LV border (Phase II) (LT), with the intensity of reimbursement of eligible costs from CEF Grant 85%, to RB Rail AS activity B18 Global Project Management. Until 31 March 2018 the Ministry of Transport and Communications of the Republic of Lithuania shall ensure transfer from the state budget of Lithuania to RB Rail AS the calculated budget re-allocation. For this

purpose RB Rail AS shall submit a debit note to the Ministry of Finance of the Republic of Lithuania, with a copy to Ministry of Transport and Communications of the Republic of Lithuania. The national co-financing for the activities A1, A2, A3, A4, A5, A6, A34, A39 has been budgeted through already made or foreseen investment of Rail Baltica statyba UAB in the share capital of RB Rail AS unless other agreement will be reached with respect to Clause 3.

- 2.3. The Shareholders agree that the increase of the share capital of RB Rail AS shall take place as follows: subject to mandatory processes based on the articles of association of RB Rail AS and provided that the respective amounts of the monetary contributions to be invested into RB Rail AS by the Shareholders are anticipated in the state budget of each respective state and are made available by the respective state, the Shareholders shall ensure, that RB Rail AS shall adopt by 1 June 2018 a decision of the General Meeting on the increase of the share capital from EUR 1,950,009 to EUR 1,950,012. Upon share capital increase a share with a nominal value of EUR 1 shall be issued to each Shareholder and each Shareholder shall pay for the share with a monetary contribution in the amount of EUR 650,000 of which EUR 1 is for the par value and EUR 649,999 is for the share premium. The Shareholders agree to make the payments into the share capital by 31 August 2018.
- 2.4. Re-distribution of the pre-financing and re-allocation of the budget in accordance with Clauses 2.1 and 2.2 of this Agreement must not negatively affect (e.g. delay or terminate) completion of the Activities within CEF1 and CEF2, and, if possible to avoid without creating risks to timely and qualitative completion of the Activities in CEF1 and CEF2, should not lead to exceeding the planned budget for the Global Project as well as RB Rail AS budget for the implementation of CEF1 and CEF2, respectively, or the allocation additional financial resources from the state budgets to compensate lacking CEF Grant financial resources. For that purpose Beneficiaries shall co-operate with each other and the Implementing Bodies to strive to complete the Activities in CEF1 and CEF2 within the available CEF1 and CEF2 budget, including the revision of the reallocations of CEF1 and CEF2 for 2019 or consecutive years of the implementation of the Activities within CEF1 and CEF2. If this will prove impossible, Beneficiaries shall seek any necessary solutions for timely and qualitatively completing the Activities in CEF1 and CEF2 with a minimum additional impact on the state budgets or budgets of any of the Parties.
- 2.5. All parties shall take possible actions and measures to create savings in Activity implementation.
- 2.6. Any perspective savings by RB Rail AS in the activities onto which the budget re-allocation transfers funds from national activities (savings under A34 A5.1.1; B18), are subject to re-allocation back to the same national activities under agreement by the Ministry of Economic Affairs and Communications of the Republic of Estonia, Ministry of Transport of the Republic of Latvia and the Ministry of Transport and Communications of the Republic of Lithuania.
- 2.7. In order to implement Clause 2.1 of this Agreement, the Beneficiaries agree to conclude an amendment to the Inter-Beneficiary Agreement which is attached as Appendix 1.
- 2.8. In order to implement Clause 2.3 of this Agreement, the Shareholders agree to conclude an amendment to the Shareholders' Agreement which is attached as Appendix 2.

3. FINANCING OF RB RAIL AS, STARTING FROM 1 JANUARY 2019 AND ONWARDS

- 3.1. The relevant Parties shall conclude before the end of 2018 an agreement on sustainable financing of the operation of RB Rail AS activities in relation to the implementation of the Global Project from 2019 and onwards which could encompass a suitable fee-based approach to the financing of RB Rail AS while considering all relevant requirements related to the financing of project implementation, including those related to procurement, provided that the principles and content of such a financing model is in line with all relevant legal and financial requirements and these principles and their exact content have been discussed and approved by the relevant parties prior to transfer to using the fee-based approach.
- 3.2. RB Rail AS shall complete by 30 June 2018 tax consultations related to tax aspects and other aspects on the application of fee-based payments.

4. APPLICABLE LAW

- 4.1. This agreement is governed by the laws of Latvia.

5. DISPUTE RESOLUTION AND JURISDICTION

- 5.1. The Parties shall first attempt to settle any dispute, controversy or claim arising out of or relating to this Agreement by way of negotiations between the disputing Parties.
- 5.2. If dispute cannot be settled by the way of mutual negotiations within a period of 30 (thirty) calendar days, any of the Parties shall have the right to refer the dispute, controversy or claim for the determination by the dispute resolution committee. The Dispute Resolution Committee shall be a committee consisting of 1 (one) authorised representative from each of the Parties.
- 5.3. The Parties shall not authorise as their representatives in the Dispute Resolution Committee a person who has performed an action or omission or who has directly supervised or controlled the person who has performed an action or omission which has led to the dispute, controversy or claim to be settled by the Dispute Resolution Committee.
- 5.4. Each of the Parties shall inform in writing other Parties about its appointed 1 (one) member of the Dispute Resolution Committee. Each of the Parties shall inform in writing the other Parties about removal or replacement of its member of the Dispute Resolution Committee.
- 5.5. The Dispute Resolution Committee shall discuss the dispute, controversy or claim on the basis of the proposed decision on the resolution of the dispute, controversy or claim, which shall be proposed by the referring Party, within 1 (one) month from the day of referral thereof. The decision shall be adopted if all members of the Dispute Resolution Committee vote unconditionally in favour of the decision.
- 5.6. In case the decision is not adopted in the first Dispute Resolution Committee voting, the second Dispute Resolution Committee voting shall take place not earlier than 1 (one) month and not later than 2 (two) months from the first Dispute Resolution Committee voting. During the period in between the Parties shall attempt proposing alternative solutions. The referring Party shall propose the decision on the resolution

of the dispute, controversy or claim for voting. The decision shall be adopted if all members of the Dispute Resolution Committee vote unconditionally in favour of the decision.

- 5.7. In case the decision is not adopted in the second Dispute Resolution Committee voting, the third Dispute Resolution Committee voting shall take place not later than 14 (fourteen) calendar days from the second Dispute Resolution Committee voting. During the period in between the Parties shall attempt proposing alternative solutions. The referring Party shall propose the decision on the resolution of the dispute, controversy or claim for voting. The decision shall be adopted if the majority of the members of the Dispute Resolution Committee vote unconditionally in favour of the decision.
- 5.8. Voting at the Dispute Resolution Committee can take place in a meeting or through correspondence, including e-mail.
- 5.9. The Parties shall follow the Dispute Resolution Committee's decision.
- 5.10. The Parties agree that, in case the decision by the Dispute Resolution Committee is not reached or followed, the interested Party may refer the issue to the Cabinet of Ministers of the respective Party and invite the members of the Cabinet of Ministers to resolve the issue on a political level.

6. FORCE MAJEURE

- 6.1. "Force majeure" shall mean any unforeseeable exceptional situation or event beyond a Parties' control, which prevents either of them from fulfilling any of their obligations under this Agreement, which was not attributable to error or negligence on their part and which proves to be inevitable in spite of exercising all due diligence. Any default of a service, defect of equipment or material or delays in making them available, unless they stem directly from a relevant case of force majeure, as well as labour disputes, strikes or financial difficulties, including lack of public financing, cannot be invoked as force majeure.
- 6.2. A Party faced with force majeure shall formally notify in writing other Parties without delay, stating the nature, likely duration and foreseeable effects.
- 6.3. The Parties shall take the necessary measures to limit any damage due to force majeure with the view to minimising the risks to implementation of the Global Project and to the infrastructure that will be or has been constructed as an (interim) result of this project. The Parties shall do their best to resume the implementation of the Global Project as soon as possible.
- 6.4. The Party faced with force majeure shall not be held to be in breach of its obligations under this Agreement if it has been prevented from fulfilling them by force majeure.

7. MISCELLANEOUS

- 7.1. This Agreement sets out entire agreement and understanding between the Parties with respect to the subject matter hereof. It is agreed that no Party has entered into this Agreement in reliance upon any representation, warranty or undertaking of any other Party which is not expressly set out or referred to in this Agreement.

- 7.2. This Agreement can be amended or terminated by written agreement between all Parties only, signed by duly authorised officers on behalf of the Parties. No failure or delay on the part of any Party in exercising any right, power or privilege hereunder and no course of dealing between the Parties shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof of any other right, power or privilege.
- 7.3. If any provision of this Agreement, in whole or in part, proves to be invalid for any reason, such invalidity shall affect only the portion of such provision which shall be invalid. In all other aspects this Agreement shall stand as if such invalid provision had not been made, and no other portion or provision of this Agreement shall be invalidated, impaired or affected thereby. This Clause is not limited by any other provision of this Agreement in relation to severability, invalidity or unenforceability.
- 7.4. This Agreement enters into force on the date when all Parties have signed it and it will remain in force until full completion of the obligations of the Parties arising out of this Agreement.
- 7.5. In witness thereof the Parties have signed this Agreement in 7 (seven) original authentic copies, 1 (one) original for each Party.

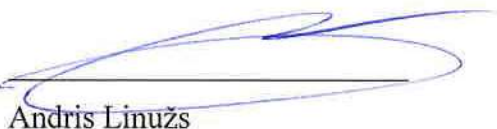
8. SIGNATURES OF THE PARTIES



Indrek Orav

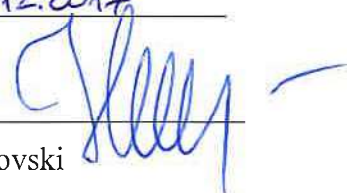
on behalf of OÜ "Rail Baltic Estonia"

Date: 13.12.2017



on behalf of SIA "Eiropas dzelzceļa līnijas"

Date: 22.12.2017



Karolis Sankovski

on behalf of UAB "Rail Baltica statyba"

Date: 2017.12.13



Baiba Anda Rubesa

on behalf of RB Rail AS

Date: 2017.12.13



Ignas Degutis

on behalf of RB Rail AS

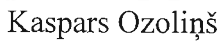
Date: 2017.12.13



Merike Saks

on behalf of Ministry of Economic Affairs and Communications of the Republic of Estonia

Date: 15.12.2017



Kaspars Ozoliņš

on behalf of Ministry of Transport of the Republic of Latvia

Date: 29.12.2017.



Inga Černiuk

on behalf of Ministry of Transport and Communications of the Republic of Lithuania

Date: 8017-12-13

APPENDIX 1

AMENDMENT NO 1 TO THE INTER-BENEFICIARY AGREEMENT

THE PARTIES

- (1) **RB Rail AS**, a joint stock company registered in the Commercial Registry of Latvia with No 40103845025, registered address at K .Valdemāra iela 8-7, LV-1050, Riga, Latvia, represented by [●] (**RB Rail**) and
- (2) **Ministry of Economic Affairs and Communications of the Republic of Estonia**, registration No 70003158, registered address at Suur-Ameerika 1, Tallinn, 10122, Estonia, represented by Ahti Kuningas, Deputy Secretary General (**Min EAC – EE**) and
- (3) **Ministry of Transport of the Republic of Latvia**, registration No LV90000088687, registered address at Gogoļa iela 3, LV-1743, Riga, Latvia, represented by Kaspars Ozoliņš, State Secretary (**Min Tran - LV**) and
- (4) **Ministry of Transport and Communications of the Republic of Lithuania**, registration No 188620589, registered address at Gedimino ave. 17, 01505 Vilnius, Lithuania, represented by Rokas Masiulis, Minister (**MoTC - LT**)

for the purposes of this Agreement hereinafter also referred to as the “**Party**” or the “**Parties**”,

WHEREAS

- (A) On [●] RB Rail AS, Ministry of Economic Affairs and Communications of the Republic of Estonia, Ministry of Transport of the Republic of Latvia, Ministry of Transport and Communications of the Republic of Lithuania, Rail Baltic Estonia OÜ, Eiropas dzelzceļa līnijas SIA and UAB “Rail Baltica statyba” have concluded the Agreement on RB Rail AS Interim Financing, in which the Parties have agreed to conclude these amendments to the Inter-Beneficiary Agreement;

The Parties have agreed to make the following amendments to the Inter-Beneficiary Agreement:

1. DEFINITIONS

- 1.1. The Parties agree that in this Agreement the words and phrases are used in their ordinary meaning which would be ordinarily attributed to such words and phrases by a legal professional in the United Kingdom, except the following words and phrases have the following meaning:
 - 1.1.1. „**CEF**“ means the Connecting Europe Facility established by the Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010.
 - 1.1.2. “**CEF Grant**” means financial contribution from CEF which the Innovation and Networks Executive Agency in its role as the CEF implementing agency has allocated for the implementation of the Rail Baltica project in accordance with the grant agreement concluded with the Beneficiaries.

- 1.1.3. “**CEF1**” means the CEF Grant granted on the basis of the Grant Agreement under the Connecting Europe Facility (CEF) – Transport Sector, Agreement No INEA/CEF/TRAN/M2014/1045990.
- 1.1.4. “**CEF2**” means the CEF Grant granted on the basis of the Grant Agreement under the Connecting Europe Facility (CEF) – Transport Sector, Agreement No INEA/CEF/TRAN/M2015/1129482.
- 1.1.5. “**Global Project**” means all the activities undertaken by the Parties in order to build, render operational and commercialize the Rail Baltica railway and related railway infrastructure in accordance with the agreed route, technical parameters and time schedule.
- 1.1.6. “**Inter-Beneficiary Agreement**” means the Inter-Beneficiary Agreement between RB Rail AS and Ministry of Economic Affairs and Communications of the Republic of Estonia, Ministry of Transport of the Republic of Latvia and Ministry of Transport and Communications of the Republic of Lithuania dated 16 June 2016, to which these amendments are done.
- 1.1.7. „**Interim Financing Agreement**“ means the Agreement On Interim Financing Of RB Rail AS Between RB Rail AS, Ministry Of Economic Affairs And Communications Of The Republic Of Estonia, Ministry Of Transport Of The Republic Of Latvia, Ministry Of Transport And Communications Of The Republic Of Lithuania, Rail Baltic Estonia Oü, Eiropas Dzelzceļa Līnijas SIA And Rail Baltica Statyba UAB, which entered into force on [●]

2. SUBJECT MATTER

- 2.1. The Parties agree that the Inter-Beneficiary Agreement applies to all future CEF Grants beyond CEF1 and CEF2 which are granted on the basis of the Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010. For that purpose the Parties agree to make the following amendments to the text of the Inter-Beneficiary Agreement:
- 2.1.1. Substitute the text of Clause 2.9.1 with the following text:
“On the basis of quarterly and monthly reports RB Rail shall prepare and submit to Min EAC-EE, Min Tran – LV and MoTC – LT pre-filled draft reports which are drawn up in accordance with the template prepared by RB Rail, including with respect to the Implementing Bodies, and shall include the information which is outlined in Article II.23.1.1 of the General Conditions of the Grant Agreement, not later than 10 February of each year.”
- 2.1.2. Substitute the text of Clause 2.9.2 with the following text:
“Min EAC-EE, Min Tran – LV and MoTC – LT shall provide to RB Rail their written proposals for the draft reports not later than 10 March of each year.”
- 2.1.3. Substitute the text of Clause 2.9.3 with the following text:
“RB Rail shall submit to Min EAC-EE, Min Tran – LV and MoTC – LT the final reports not later than 20 March each year.”

- 2.2. As an exception to Section 2.6.2 of the Inter-Beneficiary Agreement, the Parties agree that the CEF1 second pre-financing payment which RB Rail AS received on 15 May 2017 in the amount of EUR 5,781,200, shall be distributed in accordance with the Interim Financing Agreement.

3. MISCELLANEOUS

- 3.1. All other terms and conditions of the Inter-Beneficiary Agreement remain valid and unchanged.
- 3.2. The terms used in these Amendments with capital letters have the same meaning as defined in the Inter-Beneficiary Agreement unless these Amendments provide otherwise.
- 3.3. The Amendments enter into force on the date when signed by all Parties.
- 3.4. These Amendments shall be governed by and construed in accordance with the laws of the Republic of Latvia.
- 3.5. Any amendment to these Amendments shall be in writing and shall have no effect before signed by the duly authorized representatives of all Parties.
- 3.6. These Amendments shall be considered as an integral part of the Inter-Beneficiary Agreement. In case any disagreement should arise with respect to the terms of these Amendments and as stated in the initial version of the Inter-Beneficiary Agreement, the Amendments shall prevail.
- 3.7. These Amendments have been executed in 4 (four) identical counterparts in English language, each Party shall retain one counterpart. These Amendments have been signed by the duly authorized representatives of the Parties.

4. SIGNATURES OF THE PARTIES

[•]

on behalf of Ministry of Economic Affairs and Communications of the Republic of Estonia

[•]

on behalf of Ministry of Transport of the Republic of Latvia

[•]

on behalf of Ministry of Transport and Communications of the Republic of Lithuania

[•]

on behalf of RB Rail AS

APPENDIX 2

AMENDMENT NO 1 TO THE SHAREHOLDERS' AGREEMENT

These amendments to the Shareholders' Agreement of 28 October 2014 (the "**Amendments**") are entered into on [●] 2017 by the following parties:

- (1) **OÜ "Rail Baltic Estonia"**, a company registered under the laws of the Republic of Estonia, with the register number 12734109, ("**Estonian Shareholder**") represented by [●];
- (2) **SIA "Eiropas dzelzceļa līnijas"**, a company registered under the laws of the Republic of Latvia, with the register number 401103836785, ("**Latvian Shareholder**") represented by [●];
- (3) **UAB "Rail Baltica statyba"**, a company registered under the laws of the Republic of Lithuania, with the register number 303227458, ("**Lithuanian Shareholder**") represented by by Director, Mr Karolis Sankovski;

hereinafter Estonian Shareholder, Latvian Shareholder, Lithuanian Shareholder are collectively referred to as the "**Parties**", and each individually as the "**Party**",

Taking into account that:

- (A) On 28 October 2014 the Parties have signed a shareholders agreement (the "**SHA**") according to which the Parties had agreed to create a joint venture to implement a Rail Baltica project.
- (B) The Shareholders have agreed to carry out further cash equity investment and are willing to agree on the terms and conditions.

The Parties have agreed to make the following amendments to the SHA:

1. To express clause 4.6. as follows:
"4.6. Subsequent to the registration of the Company, the Shareholders have agreed to carry out further cash equity investments through four increases of the Share Capital provided that the respective amounts of the monetary contributions are anticipated in the state budget of each respective State and are made available by the respective State to be invested into the Company by the Shareholders. Each Shareholder shall use its reasonable efforts to ensure that the state budgets of the respective State for the respective year includes the monetary contributions set forth in this Clause. Each of the Share Capital increases shall be done so that the proportion of the shareholding of the Shareholders in the Company as set forth in Clause 4.3 remains the same. Each Shareholder hereby commits to pay further EUR 2 600 000 (two million six hundred thousand euro) into the equity of the Company through the Share Capital increases (unless otherwise agreed in the Business Plan and agreed by the Shareholders):"
2. To supplement the SHA with a new clause 4.6.4 as follows:
"4.6.4. The Shareholders shall ensure that by 1 June 2018 the Company convenes the General Meeting and the General Meeting adopts a decision on increase of the Share Capital from EUR 1 950 009 (one million nine hundred fifty thousand nine euro) to EUR 1 950 012 (one million nine hundred fifty thousand twelve euro). Upon increase

of the Share Capital each Shareholder shall subscribe for one share with a nominal value of EUR 1 (one euro) and each Shareholder shall pay for the new share with a monetary contribution in the amount of EUR 650 000 (six hundred fifty thousand euros) of which EUR 1 (one euro) is for the par value and EUR 649 999 (six hundred forty nine thousand nine hundred ninety nine euro) is for the Share Premium. The Shareholders agree to make the payment for the new shares by 31 August 2018 as described in this Clause above and to procure that the Company completes the registration of the Share Capital increase with the Company Register of the Republic of Latvia in due term."

3. All other terms and conditions of the SHA remain valid and unchanged.
4. The terms used in these Amendments with capital letters have the same meaning as defined in the SHA unless these Amendments provide otherwise
5. The Amendments enter into force on the date when signed by all Parties.
6. These Amendments shall be governed by and construed in accordance with the laws of the Republic of Latvia.
7. Any dispute, controversy or claim arising out of or in connection with these Amendments or the breach, termination or invalidity thereof ("Dispute") shall be resolved on an amicable basis.
8. If the Dispute remains unsolved within a period of thirty (30) days from the service of the formal written notice requesting to solve the Dispute on an amicable basis, the Dispute shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. This shall not affect a Party's rights, where appropriate, to seek interim measures as set forth in the Arbitration Rules. The seat of the arbitration shall be Stockholm, Sweden. Language of the arbitral proceedings shall be English. The arbitral tribunal shall be composed of three arbitrators. All three arbitrators shall be appointed by the board of the Arbitration Institute.
9. Any amendment to these Amendments shall be in writing and shall have no effect before signed by the duly authorized representatives of all Parties.
10. These Amendments shall be considered as an integral part of the SHA. In case any disagreement should arise with respect to the terms of these Amendments and as stated in the initial version of the SHA, the Amendments shall prevail.
11. For the ease of reference, the Parties have agreed to approve the revised consolidated version of the SHA as enclosed.
12. These Amendments have been executed in 3 (three) identical counterparts in English language, each Party shall retain one counterpart. These Amendments have been signed by the duly authorized representatives of the Parties.

[•]

on behalf of OÜ "Rail Baltic Estonia"

[•]

on behalf of SIA "Eiropas dzelzceļa līnijas"

[•]

on behalf of UAB "Rail Baltica statyba"