

Memorandum of Understanding

BETWEEN

**THE MINISTRY OF TRANSPORT OF THE REPUBLIC OF LATVIA,
THE MINISTRY OF WELFARE OF THE REPUBLIC OF LATVIA,
THE MINISTRY OF EDUCATION AND SCIENCE OF THE REPUBLIC OF LATVIA**

AND

DB ENGINEERING & CONSULTING GmbH

regarding the establishment of DB Rail Academy in Latvia for provision of Training & Education Services

This Memorandum of Understanding (hereinafter referred to as “**MoU**”) is entered into effect on 16th of December 2021 by and between:

PREAMBLE

1. **DB Engineering & Consulting GmbH**, organized and existing under the laws of Germany, having its principal place of business at EUREF Campus 14, Torgauer Str. 12-15, 10829 Berlin, Germany

- hereinafter referred to as “**DB E&C**” -

and

2. **Ministry of Transport of the Republic of Latvia**, registered address at Gogoļa street 3, Riga, LV-1743, Latvia
3. **Ministry of Welfare of the Republic of Latvia**, registered address at Skolas street 28, Riga, LV-1331, Latvia
4. **Ministry of Education and Science of the Republic of Latvia**, registered address at Valņu street 2, Riga, LV-1050, Latvia

(hereinafter referred to individually as “**Party**” and collectively as the “**Parties**”)

Whereas DB E&C, a company wholly owned by Deutsche Bahn AG (“**DB AG**”), one of the world’s leading mobility organization, has a wide range of worldwide experience and references in the field of training and education, and is willing to transfer its knowledge through DB Rail Academy.

Since the availability of training centre in Baltics is of close interests to the Rail Baltica Project and the railway sector at large, the development of the DB Rail Academy training centre in Latvia, holds the opportunity for Latvia to become a lighthouse in the field of education of railway and logistics experts for the transport industry in the Baltics and beyond.

WHEREAS, after the Rail Summit at the Ministry of Transport of the Republic of Latvia on 28th of July 2021 the railway industry has acknowledged that due to foreign policy-driven circumstances there has been a structural transformation in the railway labour market and the implementation of the Rail Baltica project has contributed to the need of retraining of the railway specialists and attraction and skill development of new specialists in Latvia.

The result of the Rail summit on 28.07.2021 can be described in four dimensions:

- **Retraining:** Retraining of personnel threatened with job loss in order to retain personnel in the railroad system for sustainable jobs of Rail Baltica.
- **Technical Further Education:**
 - Necessity to increase safety, quality, efficiency and profitability of the rail² sector.
 - Preparing existing staff for the new Rail Baltica technical system.
- **Vocational Education:**
 - Long-term foundation of the rail and logistics sector.
 - Establishment of Dual TVET System.
- **Managerial Further Education:**
 - Comprehensive further development of management personnel in the transport sector for modernization and alignment with the requirements of digitalization, environmental requirements and the future viability and competitiveness of the railroad system.

Whereas the Parties will cooperate in exploring the prospects of establishing a DB Rail Academy in Riga and provision of training and education services in Latvia as set out above using DB E&C's unique expertise and capabilities;

Now, therefore, the Parties agree as follows:

1. PURPOSE

- 1.1. The Parties intend to explore opportunities for cooperating in the field of training and education in railway related areas as well as the establishment of a DB Railway Academy. For this purpose, the Parties intend to define activities and projects of joint interest which are suitable for cooperation (each hereinafter referred to as a "**Project**").
- 1.2. The geographical area of the Parties' cooperation is intended to be Latvia (the "**Area of Cooperation**").
- 1.3. The Parties envision to cooperate on agreed actions within two (2) phases as follows.
 - 1.3.1. Actions within Phase 1:

Conduct of Market and Demand Analysis, identification of needs with regard to training, education, trainer qualification and assets. Estimation of a financial requirements and revenue streams.
 - 1.3.2 Actions within Phase 2:

Phase 2 would include the implementation of the outputs of Phase 1 (i.a. the establishment of a DB Rail Academy, provision of education and training services by DB E&C with a focus on rail, logistics and public transport). The implementation stage of these and other work packages as may be identified during Phase 1 shall be mutually agreed and aligned between the Parties.

2. PRINCIPLES OF COOPERATION

- 2.1 Parties shall determine the details of their intended cooperation, including details to the structure of cooperation, its financing and the sequence of activities involved. Such details shall, in each case, be agreed in the form of a separate written agreement.
- 2.3 No Party shall be authorized to make any commitment for another Party without the prior written approval of the other Party concerned. Resolutions to be passed, decisions or other actions to be taken, shall require the unanimous prior approval of the Parties.
- 2.4. This MoU shall be implemented with respect to the legal framework and according to the laws and regulations of the Republic of Latvia.

3. COORDINATORS

- 3.1. For the execution of this MoU each Party appoints the following individual to act as a coordinator ("**Coordinator**") on such Party's behalf.

For Ministry of Transport of the Republic of Latvia:

Ludmila Juškeviča Head of the Rail Baltica Project Legal Affairs Unit of the Railway Policy and Infrastructure Department

For Ministry of Welfare of the Republic of Latvia:

Artis Artūrs Brodiņš Advisor to the Minister

Ministry of Education and Science of the Republic of Latvia:

Ilze Buligina Senior Expert of the Adult and Vocational Education Department

For DB E&C:

Heiko Scholz Director DB Rail Academy

- 3.2. The Coordinators shall report regularly to the Parties. Not later than 8 weeks after conclusion of Phase 1, the Coordinators shall present a proposal for a Road Map defining potential scope of activities or project proposals for cooperation and a relevant time schedule.
- 3.3. The Coordinators shall closely cooperate and exchange information to ensure what is necessary for the preparation of the Road Map, the preparation of the cooperation with respect to a Project or for other obligations following from this MoU.

4. CONFIDENTIALITY

- 4.1 The Parties undertake to ensure non-disclosure of confidential information as defined hereunder. Any Party shall abstain from public announcements or disclosures to third parties that may directly or indirectly reveal confidential information concerning another Party unless the consent of that other Party has been received. It is recognized that in the context of this MoU the Parties will disclose to each other certain confidential information of business or technical nature. In any case, this MoU shall not be considered confidential information. For the purpose of this clause
 - 4.1.1 "**Confidential Information**" means any and all financial, commercial, technical, operational, organizational, staff, legal, management and other information, samples, models, computer software,

data and Know-how (as defined hereinafter), and information of same or similar kind or nature, regarding one Party's, including its affiliates, products, assets, networks, turnover, profits, customers, suppliers and employees which may be supplied orally or in writing or in any other form by the Party disclosing such information to the other Party.

- 4.1.2 **"Know-how"** means all Confidential Information as defined herein whether patentable or not and its exploitation as well as all other confidential technical and commercial information relating to a Party and/or its affiliates which has been developed and is owned by such Party and/or its affiliates, respectively, including documents, construction plans and design drawings whether or not such information is marked as confidential or proprietary, or should from a perspective of a reasonable person be understood as confidential, either shared verbally or in writing.
- 4.2 The obligation of this Clause 4 "Confidentiality" shall survive the expiry or termination of this MoU for unlimited time, save to the extent the Parties enter into any agreement containing a separate obligation of confidentiality with respect to the Confidential Information after signing of this MoU in which case such separate obligation shall apply.

5. INTELLECTUAL PROPERTY

- 5.1 Know-how and information belonging to third parties is not subject to this MoU. No license or right to use shall be granted under this MoU by one Party to another Party as a result of disclosure of certain information under this MoU or for other reasons.

6. COSTS

- 6.1 Unless otherwise agreed upon by the Parties in writing, each Party shall bear all costs incurred by itself in connection with the entering into and the cooperation under this MoU.

7. TERM

- 7.1 This MoU will come into effect after signing by the Parties. It will be effective for a period of 3 years and thereafter may be extended by mutual consent.
- 7.2 This MoU may be terminated by either Party in writing observing a notice period of two (2) months or by mutual consent of the Parties at any time.
- 7.3 In case this MoU is terminated, neither Party shall – for reasons of the termination – be liable to any of the Parties for any direct or indirect or consequential damages or loss including, but not limited to loss of profit, loss of use, loss of contract or loss of business opportunities.

8. COMPLIANCE

- 8.1 The Parties understand that compliance with all applicable laws, rules and regulations is essential for each of them, and they expect from each other that they will act under or in connection with this MoU on the basis of, and in compliance with, all applicable laws.
- 8.2 The Parties agree to negotiate mutually acceptable compliance provisions in relation to further agreements.

9. LIABILITY

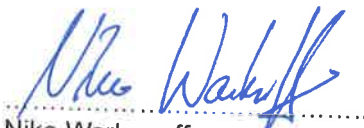
- 9.1 Neither Party shall be liable to the other Party under this MoU for any direct or indirect or consequential damages including, but not limited to any loss of profit, loss of use or loss of business opportunities, except in case of wilful misconduct, personal injury, or other matters for which it would be unlawful for

a Party to limit or exclude its liability. Such exclusion of liability shall not apply however with respect to the obligations contained in Clause 4 "Confidentiality" and Clause 8 "Compliance" for which the Parties shall remain fully liable to each other.

10. MISCELLANEOUS

- 10.1. This MoU does not set forth final terms and conditions nor does it contain all matters upon which agreement must be reached for a Scope of Activities to be consummated.
- 10.2. Either Party at any time may propose amendments to this MoU. No amendments to this MoU shall be valid until confirmed in writing and signed by the Parties.
- 10.3. Any dispute arising out of or in connection with this MoU shall be settled by way of consultations and negotiations and in the framework of applicable laws.

For and on behalf of
DB Engineering & Consulting GmbH



Niko Warbanoff
CEO DB Engineering & Consulting GmbH



Burhan Erkan
Executive Director Baltic States



Heiko Scholz
Director DB Rail Academy

For and on behalf of
Ministry of Transport of the Republic of Latvia



Tālis Linkaits
Minister

For and on behalf of
Ministry of Welfare of the Republic of Latvia



Gatis Eglītis
Minister

For and on behalf of
Ministry of Education and Science of the Republic of Latvia



Jānis Ozols
Advisor to the Minister