**Contract under public law No. 3.2-4/24/1088-1**

**Estonian Transport Administration**, registry code 70001490, seat Valge 4, 11413 Tallinn (hereinafter “**TA**”), represented by Director of Mobility Management Division Joel Jesse on the basis of an authorisation,

**Estonian Tax and Customs Board**, registry code 70000349, seat Lõõtsa 8a, 15176 Tallinn (hereinafter “**TCB**”), represented by Director General Raigo Uukkivi on the basis of the statutes,

and

**KOOL LATVIJA SIA**, registry code 40203022089 (non-residents code 65736150), seat Dārzciema iela 127, Rīga, LV-1073, Latvia (hereinafter “**Operator**”), represented by board member Sandis Šteins on the basis of statues, (hereinafter individually “**a/the** **Party**” or collectively “**the** **Parties**”),

based on:

* Sections 1904 of the Traffic Act;
* Subsection 13 (11) 25) of the Administrative Co-operation Act;
* Regulation No. 66 “Procedure for payment of road toll and service fee and procedure for refunding road toll” („*Teekasutustasu ja teenustasu tasumise ning tagastamise kord*“) of the Minister of Economic Affairs and Infrastructure of 28.11.2017,

have entered into the contract under public law on collecting road toll (hereinafter “**Contract**”) as follows:

1. Object of the Contract

Based on this Contract, the TA shall provide the Operator with an administrative duty to collect road toll and to implement the regulation on road toll established in the Traffic Act (Chapter 121 of the Traffic Act).

1. General terms and conditions of the Contract
	1. At the moment of signing, the Contract has the following Annexes:
		1. Annex 1 - List of the Operator’s sales outlets.
	2. In addition to the Contract and its Annexes, the Parties shall be guided by the current legislation of the Republic of Estonia, regulations, standards, and other relevant technical documents, if required.
	3. Unless otherwise provided in the Contract, references to a specific clause, sub-clause or Annex shall be interpreted as references to the corresponding clause, sub-clause or Annex to the Contract. The titles used in the Contract are there for the purpose of simplification and are not considered in the definition, interpretation or limitation of the provisions of the Contract. If so indicated by the context, words of the singular number in the Contract may include the plural or vice versa.
	4. The Parties shall communicate in English when performing this Contract.
2. Obligations and rights of the Operator
	1. The Operator shall:
		1. perform its administrative duty and collect road toll in accordance with the Contract, its annexes and the legislation;
		2. transfer the collected amount of road toll to the TCB within 10 (ten) days of the issuance of the notice by TCB in the E-Tax environment;
		3. pay the deposit within five (5) working days of the submission of the deposit request by the TCB to the Estonian Tax and Customs Board SEB account EE641010052031018009 or Swedbank account EE252200221014193902 with the payment description: Road Toll. TA allows the operator to access the road fees database once the deposit has been paid to the TCB’s bank account. The amount of the deposit is 5000 (five thousand) euros.
		4. enable the clients (lorry owner, authorised user or other third person who wants to pay the road toll) to pay the road toll at the locations provided in the Contract during the opening hours of sales outlets;
		5. immediately inform the clients and the Parties about any circumstances that hinder the performance of the administrative duty;
		6. use the corresponding road user charge database at www.teetasu.ee developed by the TA when collecting the road toll; ensure that third parties do not have access to the aforementioned information systems;
		7. ensure functionally that the relevant computers and passwords are protected against any persons who are not authorised to use them;
		8. not exceed the amount of service fees agreed in the Contract when performing the duty of collecting the road toll;
		9. ensure that the clients have the option to familiarise themselves with the price list of the service fee for the road toll before paying the road usage charge;
		10. keep confidential any information that has become known to the Operator while performing the administrative duty during the validity of the Contract and also after the termination of the Contract without a fixed term, including personal data and vehicle data, unless the obligation to disclose such data arises from the law;
		11. carry out acts that are not expressly provided in the Contract and its Annexes, but which are necessary to achieve and comply with the objective of the Contract and which are inherently part of the Operator’s duties.
		12. in the event of late payment of any due amount (primarily if the road usage free collected is not paid by the due date), pay interest on the amount not paid by the due date at the rate of 0.06% per calendar day of delay.
	2. The Operator shall have the right:
		1. to receive information from the TCB and the TA required for performing the administrative duty;
		2. to collect the contractual service fee from clients for the performance of the administrative duty.
	3. The Operator may not transfer the rights and obligations arising from the Contract to third parties.
	4. The Operator shall ensure and declare that it is able to perform the administrative duty and fully understands the required obligations.
3. Obligations and rights of the TCB
	1. TCB shall:
		1. immediately inform the Parties to the Contract about any known circumstances of which they are aware that may affect the performance of the administrative duty;
		2. on the 2nd and 17th day of each month, inform the Operator of the amount of the road toll collected and to be paid by the Operator together with the payment deadline and a detailed note on the calculation of the amount at the E-Tax environment at www.emta.ee;
		3. issue information on making the notice available at E-Tax to the Operator’s e-mail address rekini@kool.lv
	2. The TCB shall have the right:
		1. to exercise supervision over the performance of the administrative duty on the basis of this contract, its annexes and the legislation;
		2. to receive information from the Party about the performance of the administrative duty that serves as the object of the Contract;
		3. to make a statement to the TA to suspend the Operator’s rights to use the road toll database until the Operator has transferred the outstanding amount collected;
		4. to initiate recovery of road user charge and interest collected by the Operator but not paid by the due date.
4. Obligations and rights of the TA
	1. The TA shall:
		1. enable access to the road toll database for the Operator;
		2. immediately inform the Parties to the Contract about any circumstances that may affect the performance of the administrative duty;
		3. to ensure the transfer of the information on the road user charge payments performed in the road toll database to the information system of the register of taxable persons which is managed by the TCB.
		4. on its own initiative or by the fifth day following the receipt of the application according to clause 4.2.3 of the Contract, to suspend the Operator's rights to use the road user charge database until the payment of the road user charge collected and interest accumulated but not paid by the due date or until the recovery of the deposit or the payment of the part accrued to the deposit
	2. The TA shall have the right:
		1. to exercise supervision over the performance of the administrative duty on the basis of the legislation and the Contract;
		2. to receive information about the performance of the administrative duty that serves as the object of the Contract.
5. Principles of financing the performance of the Contract
	1. The Operator shall perform the administrative duty, which serves as the object of the Contract, at the expense of the service fee paid by the clients.
	2. The Parties have agreed that the amount of a fee collected from clients for road user charge collection services is no more than four (4) euros or 3% of the amount paid per each payment (with VAT).
	3. The Operator has no financial claims against the TA and the TCB with regard to performance of the Contract.
6. Supervision and liability
	1. The TA shall verify that the Operator collects the road toll in compliance with the requirements established in the legislation and the Contract.
	2. If the collection of the road toll does not comply with the requirements established in the legislation or the Contract, the administrative supervision authority shall have the right to issue a mandatory precept to the Operator for eliminating any deficiencies.
7. Liabilities of the parties

The Parties shall be liable for the violation of any requirements established in legislation, his Contract and the annexes thereof.

1. Amendment of the Contract
	1. The Contract can be amended by agreement of the Parties.
	2. Amendments to the Contract that have not been formalised in the same format as the Contract shall be null and void, except the amendments to Annex 1 that may be made in a format that can be reproduced in writing.
	3. Any amendments to the Contract shall be prepared as an Annex to the Contract.
2. Validity and termination of the Contract
	1. The Contract shall enter into force upon signature by Parties and it shall be valid for an unspecified term. The operator is obligated to perform the contract, i.e. the operator has the right and obligation to accept the road toll, from 01.07.2024
	2. TA or TCB may cancel the Contract by notifying the Parties at least sixty (60) days in advance.
	3. In the event of a material breach of the Contract by the Operator, TA or the TCB may terminate the Contract without notice.
	4. The Parties have agreed that a material breach of the Contract includes, inter alia, the Operator’s failure to transfer the collected road user charge when due (clause 3.1.2 of the Contract), their failure to restore the amount of the deposit when due or their failure to pay the part of the deposit accrued.
		1. The Operator undertakes to provide the TCB with an initial deposit in the amount of 5000 euros to guarantee the fulfilment of the obligations arising from the Contract (primarily the obligation to pay the collected road user charge and interest) immediately after the signing of the Contract, but before accessing the road usage charge database and before collection of the road user charge commences. The Operator undertakes to transfer the deposit to the Estonian Tax and Customs Board SEB account EE641010052031018009 or Swedbank account EE252200221014193902 with the payment description: Road Toll.
		2. If the deposit has not been transferred to the TCB’s bank account within five days of the date of entry into the Contract, the Contract is deemed not to have been entered into and the Parties have no obligations or rights under the Contract.
		3. The Parties have agreed that the TCB is not obliged to hold the deposit separately from its own funds and that no interest will be charged on the deposit for the benefit of the Operator. Road user charge and interest on late payments transferred to the TCB are not considered a deposit.
		4. From the deposit, the TCB and TA are entitled to make deductions and set-offs to the corresponding extent in the event of the Operator's failure to fulfil its obligations under the Contract (primarily the payment of the collected road usage fees and interest to the TCB). The TCB or TA notifies the Operator, in a manner capable of being reproduced in writing, of the amount of the outstanding road user charge or interest on late payment covered by the deposit (set-off). In the event of a deduction or set-off, the Operator undertakes to restore the deposit to the agreed amount within 10 working days, without the TCB or TA having to submit a corresponding request to the Operator. Failure to reinstate the amount of the deposit will be deemed a material breach of the Contract entitling the TCB or TA to extraordinarily terminate the Contract or to suspend the Operator's rights to use the road usage fee database and collect road user charge.
		5. The TCB has the right, at any time and at its discretion, to request an increase in the amount of the initial deposit up to an amount equal to the total amount of road user charge collected during the six calendar months preceding the submission of the request. In such a case, the Operator undertakes to transfer the part accrued to the deposit (part of the deposit accrued = amount of deposit increased - amount of deposit held in the TCB’s account) to the TCB’s account within five working days of the date of sending of the relevant e-mail by the Operator to the e-mail address marked in the Contract. An e-mail sent to the e-mail address marked in the Contract is deemed to have been delivered the next working day. In the event of the non-transfer of the amount accrued to the deposit, TA suspends the Operator's access to the road user charge information system. Failure to transfer the part accrued to the deposit is considered a material breach of the Contract.
		6. The obligation to pay and reinstate the deposit, as well as the obligation to pay the part accrued to the deposit, is an essential condition of the Contract whose timely and proper performance is a prerequisite for the continued performance of the Contract.
		7. The deposit is returned to the Operator within 14 days of the termination of the Contract provided that the TCB and TA do not have any claims against the Operator (both those that have become due and those that are yet to become due).
	5. The Contract shall be considered automatically terminated if the Operator is deleted from the commercial register or is declared bankrupt.
3. Contact persons of the parties
	1. Contact person of the TA: Martin Tubalkain, tel.: +372 598 17141, e-mail: martin.tubalkain@transpordiamet.ee.
	2. Contact person of the TCB: Merle Reepalu, tel.: +372 676 1155, e-mail: merle.reepalu@emta.ee.
	3. Contact person of the Operator: Gints Grinhofs, tel. +371-29142471, e-mail: gints@kool.lv
	4. It is allowed to designate a substitute contact person if the contact person of a Party is absent.
	5. It is required to immediately inform the Parties if there are any changes in the contact person of a Party.
4. Final provisions
	1. The content of the Contract is public information, unless otherwise provided by the law.
	2. The Parties shall be obligated to take all appropriate measures to resolve any disputes arising from the Contract by negotiations, without prejudice to the rights and interests of the Parties arising from the Contract and the law. If the agreement is not reached in this manner, all disputes arising from the Contract shall be settled in the court of the location of the TA based on the legislation of the Republic of Estonia.
	3. In all matters not regulated by the Contract, the parties shall be guided by the laws of the Republic of Estonia.
5. Signatures of the parties

**Transpordiamet Maksu- ja Tolliamet KOOL LATVIJA SIA**

**[Estonian Transport [Estonian Tax and Board member**

**Administration] Customs Board]**

Joel Jesse Raigo Uukkivi Sandis Šteins

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