

APPROVED

By decision of the Board of JSC "Daugavpils Locomotive Repair Plant"

Protocol No. 50/50-07/15 from July 11, 2019

Rules of applying penalty provisions for production downtime, stoppage of repair, lack of coordination of additional works or other issues causing direct or indirect damage to the Joint-stock Company "Daugavpils Locomotive Repair Plant" (hereinafter – DLRR).

DLRR preserves a right to apply penalty provisions for production downtime, repair stoppage, lack of coordination of additional works or other issues causing direct or indirect damage to the enterprise.

The scope of applicable sanctions is applied according to tariffs approved by the Board of DLRR, Annex No.2, dated July 11, 2019, if the Contract provides no other provisions.

Regarding each case causing damage to DLRR, an official notification letter is composed for the Customer, stating causes and an offer to settle the issues within specific terms. The letter must contain information on the scopes and terms of penalty provision application.

Annex No.2, dated July 11, 2019

Service tariffs – size of penalty provisions JSC "Daugavpils Locomotive Repair Plant"

Name of service	Measurement unit	% of the contracted value*
Production downtime	RS unit / 24 hours	0.01
Repair stoppage	RS unit / 24 hours	0.01
Lack of work coordination	RS unit / 24 hours	0.01

\* - plus VAT, according to the valid legislation of the Republic of Latvia