

AUCTION RULES
for the sale of Latvenergo AS Real Property
Rīgas iela 56A, Liepāja,
on the electronic auction site

1. Auctioned Real Property

1.1. Real Property owned by Public Limited Company Latvenergo (hereinafter – Latvenergo AS) with cadastral number 17000210309, address: Rīgas iela 56A, Liepāja, which consists of land with cadastral designation 17000210306 with an area of 2466 m² and a building with a structure cadastral designation 17000210196006 with an area of 2566.3 m², registered in the part of the Land Register of Liepāja City No. 100000624142, hereinafter referred to as the Object of the Auction.

1.2. The Object of the Auction shall be sold at auction as an aggregation of property with all accessories.

2. Additional information

In the Liepāja City part of Land Register No. 100000624142 servitude has been registered in favour of Sadales tīkls AS, registration No. 40003857687, on the premises of the building with cadastral designation 17000210196006 on the 1st floor, Rīgas iela 56A, Liepāja, cadastral designation of the group of premises 17000210196006018, room No. 1 – 7.4 m², room No. 2 – 20.5 m², room No. 3 – 7.4 m², total **35.3 m²** in area.

3. Procedure for inspecting the Object of the Auction

It is possible to agree on the inspection of the Object of the Auction by contacting the auction coordinator, Latvenergo AS Real Estate Management Project Manager Jānis Počs by phone +371 28626308, e-mail: janis.pocs@latvenergo.lv.

4. Auction start price and bid increment

The start price of the auction is **EUR 471,000 (for hundred and seventy-one thousand euros)**.

The Auction price is not subject to value added tax.

The Auction shall take place in ascending increments. The amount of the increment – **EUR 10,000 (ten thousand euros)**.

5. Time of the Auction

Start of the Auction: **1 October 2023 at 1:00 p.m.**

Closing of the Auction: **31 October 2023 at 1:00 p.m.**

6. Registration for the Auction and procedure of payment of the security fee, participation fee

6.1. Any natural or legal person who has the right to acquire Real Property in the Republic of Latvia in accordance with the laws and regulations, as well as in respect of which the restrictions referred to in Clause 8 of these Rules or other restrictions specified in the laws and regulations do not exist, may become a participant of the Auction.

6.2. The application for participation in the Auction shall be made using the electronic service "On the participation of a member of the e-auction site in a specific auction" available on the electronic auction website of the Court Administration (<https://izsoles.ta.gov.lv>) by identifying with one of the means of identification offered in the

unified state and local government portal www.latvija.lv, or in person at a sworn bailiff or insolvency administrator.

6.3. The application for participation in the Auction shall be made using the electronic service "On the participation of a member of the e-auction site in a specific auction" available on the electronic auction website of the Court Administration (<https://izsoles.ta.gov.lv>) by identifying with one of the identification means offered in the unified state and local government portal www.latvija.lv, or in person at a sworn bailiff or insolvency administrator.

A person who wishes to participate in the Auction shall register for participation in the Auction in the procedure specified in Paragraph 6.3 of these Rules and shall pay the security fee (beneficiary: Latvenergo AS) of **EUR 47,100.00 (forty-seven thousand one hundred euros) to the Latvenergo AS current account: AS SEB banka, LV24UNLA0001000221208, or shall submit a guarantee addressed to Latvenergo and issued by the Credit Institution in the amount of the security fee** (the Credit Institution that has issued the guarantee shall be registered in the Republic of Latvia or any European Union Member State and either it or its mother company shall have an investment grade credit rating. The guarantee shall be signed with a secure electronic signature and contain a time stamp or it shall be issued using the SWIFT system and sent via a Latvenergo cooperation bank or submitted as an original copy in paper form. The guarantee shall be valid from the day when the Auction participant applies for participation in the Auction and shall be valid until 30 November 2023) and participation fees (Court Administration of the recipient) **EUR 20 (twenty euros) payment according to the invoices generated by the portal (<https://izsoles.ta.gov.lv>) and sent to the auction participant's e-mail address.**

6.4. The security fee shall be refunded if the participant of the Auction does not win the Object of the Auction as a result of the Auction.

6.5. For the Auction Winner, the Auction security fee paid by it shall be included in the Purchase Price of the Real Property (hereinafter the bid amount).

7. Confirmation of the auction results, termination of the auction, procedure of payment of the bid amount, and conclusion of the Purchase Agreement

7.1. Latvenergo AS reserves the right to terminate the auction for any reason. Latvenergo AS shall publish a notification on cancelling the Auction on the electronic auction site (<https://izsoles.ta.gov.lv>).

7.2. Latvenergo AS has the right to cancel the Auction results by making a decision, if, after confirming the Auction results, it is established that the Auction Winner did not have the right to participate in the Auction, is not entitled to acquire Real Property in the Republic of Latvia in accordance with the laws and regulations, is not entitled to enter into transactions or other circumstances are established.

7.3. Latvenergo AS shall approve or refuse to approve the Auction result within 14 (fourteen) days after the closing day of the Auction by making a decision.

7.4. Latvenergo AS shall notify the winner of the Auction of the decision taken within 3 (three) days after the decision is made by calling the specified telephone number (if any) or sending a notice to the e-mail address (if any), or sending a notice to the address.

7.5. Latvenergo AS shall not cover the Auction participant's expenses, costs, or possible losses that could arise in connection with their participation in the Auction or the termination or cancellation of the Auction or the failure to confirm the auction results in accordance with the Auction rules, nor is it responsible for the Auction participant's obligations towards third parties.

7.6. After the end of the auction, a statement is sent electronically to the account of the electronic auction site user registered in the register of auction participants, stating that it has bid a higher price than others and that it is obligated to pay the entire amount of its bid.

7.7. The Auction Winner must pay the difference between the bid amount and the security fee paid by it after the closing day of the auction. Payment shall be made in accordance with the invoice issued by Latvenergo AS and submitted to the Auction Winner, within 10 (ten) business days from the receipt of the respective invoice.

7.8. If the Auction Winner informs Latvenergo AS in writing that it will pay the bid amount using a loan from a credit institution registered and licensed in the Republic of Latvia, the deadline for payment of the remaining bid amount may be extended for up to 30 (thirty) business days after entering into the Purchase Agreement.

7.9. In the event that payment is not made in the procedure and by the deadline specified in the Rules, the person who has bid the highest price shall lose the right to obtain the Object of the Auction as well as shall lose the paid security fee. In such an event, Latvenergo AS shall be entitled to offer to acquire ownership of the Object of the Auction to the Auction participant that has bid the previous highest price for the Object of the Auction, and the price bid by them shall be considered to be the bid price.

7.10. The Auction Winner, no later than 10 (ten) working days after the payment of the remaining bid amount, must conclude a Purchase Agreement with Latvenergo AS for the Object of the Auction and within 10 (ten) working days after concluding the Purchase Agreement must sign a corroboration request for a land registry at a sworn notary, to register the Real Property in the name of the acquirer. Expenses for the corroboration of property right in the Land Register and expenses for the services of the sworn notary shall be covered by the Auction Winner.

7.11. The property rights of the Object of the Auction are transferred to the Auction Winner after the corroboration of the Auction Winner's property rights in the land register.

8. Restrictions for participation in the Auction

8.1. The following are not entitled to participate in the Auction:

8.1.1. Persons involved in the organisation of the Latvenergo AS auction, members of the auction commission, and relatives of such persons: father, mother, grandmother, grandfather, child, grandchild, adopted, adopter, brother, sister, half-sister, half-brother, spouse;

8.1.2. for the period of time while international sanctions are imposed on Russia and Belarus due to the invasion of Ukraine – a natural person who is a citizen of Russia or Belarus, including dual citizenship of another country;

8.1.3. a natural person who is a citizen of a high-risk country (countries or territories where, according to the international organisation or the organisation that sets standards in the field of money laundering and the prevention of financing of terrorism and proliferation, there is no effective system for the prevention of money laundering and the financing of terrorism and proliferation, including countries or territories identified by the European Commission as having strategic deficiencies in their anti-money laundering and anti-terrorist and proliferation financing regimes that pose a significant threat to the financial system of the European Union, or countries in relation to which the European Union or the United States of America have established sanctions programmes (<https://www.sanctionsmap.eu/#/main>; <https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information>)) (hereinafter – high-risk country) citizen, including with dual citizenship of another country;

8.1.4. a legal person, entity, or body whose ownership rights are at least 25% or more directly or indirectly owned by the person mentioned in Clause 8.1.2 or 8.1.3;

8.1.5. natural person, legal person, entity, or body, which according to Latvenergo AS assessment:

8.1.5.1. is associated with unfavourable information in publicly available sources indicating that the person may be involved in the commission of criminal offences, including, but not limited to, money laundering or sanctions evasion, or concealing the origin of funds or wealth;

8.1.5.2. performs nominal functions acting on behalf of other persons and thereby conceals the identity of these persons (planned actual counterparties);

8.1.5.3. is related to a politically significant person, a family member of a politically significant person, or a person closely related to a politically significant person in a high-risk country, or public sources indicate that the person's economic activity interests are in such a country.

8.2. In order to fulfil the requirements of part 2 Section 2 and part 2 Section 5 of the Law on International Sanctions and National Sanctions of the Republic of Latvia, as well as not to be involved in the activities referred to in Section 195 and Section 195.1 of the Criminal Law and to

comply with the requirements of Section 3.1 of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing, Latvenergo AS is entitled to conduct an inspection to find out whether:

8.2.1. international or national sanctions or sanctions imposed by the Office of Foreign Assets Control (OFAC) of the European Union or the United States of America that affect significant financial and capital market interests have been imposed directly or indirectly on the Auction Winner or its true beneficiary;

8.2.2. The sale of the Object of the Auction to the Auction Winner directly or indirectly contradicts the restrictions set by international sanctions (including sectoral sanctions), or its purpose or consequences are or could be related to the circumvention of international sanctions (including sectoral sanctions) or the attempt of these actions;

8.2.3. the funds that the Auction Winner intends to use for the payment of the Purchase Price give rise to reasonable suspicion that they are directly or indirectly obtained as a result of a criminal offence or related to the financing of terrorism and proliferation or the attempt of such activities;

8.3. In order to perform the verification of the restrictions referred to in Clauses 8.1 and 8.2 of the Auction Rules Latvenergo AS is entitled to request from the Auction Winner and the Auction Winner is obliged to provide Latvenergo AS with the following information and/or documents that include, but are not limited to:

8.3.1. information and documents certifying that restrictions to participate in the auction mentioned in Clause 8.1 and/or 8.2 do not apply to the Auction Winner;

8.3.2. information and documents about the origin of funds that are planned to be used to pay the Purchase Price (so as to ensure their traceability);

8.3.3. information and documents certifying that the information provided by the Auction Winner about its true beneficiaries is truthful;

8.3.4. information about the economic activity of the Auction Winner and its true beneficiaries, the main cooperation partners, and the countries where the economic activity is carried out;

8.3.5. information and documents about any third party, its true beneficiaries, economic activity, and main cooperation partners, if the Auction Winner plans to pay the Purchase Price for the Object of the Auction directly or indirectly through such a third party, or such a third party directly or indirectly plans to perform the payment in the name of and on behalf of the Auction Winner, or has directly or indirectly made payment of the Auction security fee in the name of and on behalf of the Auction Winner.

8.4. The Auction Winner of the Object of the Auction loses the rights obtained as a result of the auction to purchase the Object of the Auction, if:

8.4.1. The Auction Winner is one of the persons mentioned in Clause 8.1 of the Auction Rules;

8.4.2. a natural or legal person, entity, or body that operates on behalf of any person mentioned in Clauses 8.1.3 or 8.1.4 or in accordance with the person's instructions;

8.4.3. a natural person, legal person, entity, or body, whose source of funds or significant place of economic activity is a high-risk country, including, but not limited to, the Republic of Belarus, the Russian Federation, or the territories of Ukraine occupied or illegally recognised by the Russian Federation;

8.4.4. Clause 8.2 of the Auction Rules apply to the Auction Winner or there are reasonable suspicions that it could be applicable, including in cases where, due to these restrictions, a credit institution serving Latvenergo AS refuses or could refuse to make or accept payments from the Auction Winner;

8.4.5. The Auction Winner does not provide or in the opinion of Latvenergo AS provides insufficient information and/or documents mentioned in Clause 8.3 of the Auction Rules, which is necessary for the verification of the restrictions referred to in Clause 8.1 and 8.2, or the verification to be carried out would require obviously disproportionate resources (for example, particularly unclear and complex ownership structures, economically difficult to explain settlement procedures, the involvement of third parties inappropriate to the nature of the transaction);

8.4.6. with a high degree of reliability, it is not possible to establish the origin of the funds intended for the payment of the Purchase price;

8.4.7. A credit institution that is not registered in the EU or OECD member state has been used or is planned to be used to pay the Purchase Price.

8.5. If the Purchase Price of the Object of the Auction or the payment of the Auction Security is directly or indirectly (for example, deposited into the account of the Auction Winner who makes the payment from it) made by a third party and this third party is not a creditor of the credit institution, Latvenergo AS is entitled to request information and conduct an inspection of the Object of the Auction, the Auction Winner's connection with this third party and the origin of its funds in order to prevent money laundering or support of any other illegal activities or suspicious transactions. Latvenergo AS has the right to refuse to accept payment that is of suspicious or unexplained origin.

8.6. If the Auction Winner in accordance with Clause 8.4 of the Auction Rules loses the right obtained as a result of the auction to purchase the Object of the Auction, Latvenergo AS has the right to offer to acquire the ownership of the Object of the Auction to the auction participant who bid the next highest price for the auction object and the price it bid is considered the bid price.

8.7. After the price bidding is completed, Latvenergo AS starts the inspection referred to in Clause 8.1-8.4 of the Auction Rules. Within 14 (fourteen) days after the Auction Winner has submitted all requested documents and information, Latvenergo AS shall notify the Auction Winner of the decision taken on concluding the Purchase Agreement.

9. Other Provisions

By agreeing to these Rules, the user of the website confirms that it has read and shall comply with Cabinet Regulation No. 318 of 16 June 2015 "Regulations of the Electronic Auction Site", the general rules of procedure of the auction published in the portal <https://izsoles.ta.gov.lv/noteikumi/1>, the procedure set forth herein and other laws and regulations, that govern the conduct of electronic auctions.

**REAL PROPERTY PURCHASE AGREEMENT
(for building and land property sold at the auction)**

(DRAFT)

Rīga, _____ 20____ {!date must be deleted if the Agreement is signed with a secure electronic signature!}
 {!alternative text if the Agreement is signed with a secure electronic signature!}
 See the date of the Agreement in the electronic signature area

<p align="center">Public Limited Company Latvenergo (hereinafter the SELLER)</p> <p>Registration number: 40003032949 VAT code: LV40003032949 Address: Pulkveža Brieža iela 12, Rīga, LV-1230 Credit institution: AS “SEB banka” SWIFT code: UNLALV2X Account number: LV24UNLA0001000221208 represented by its <i>[select or insert a representative]</i> and <i>[select or insert a representative]</i>, acting in accordance with Decision No. 1/1 of the Management Board of Public Limited Company Latvenergo of 4 January 2022 “On Authorisation to the Chief Executive Officer, Chief Commercial Officer, Chief Financial Officer, Chief Operating Officer, Chief Development Officer and Chief Administrative Officer of Latvenergo AS”;</p>	and	<p align="center">- “-” (hereinafter the PURCHASER)</p> <p>Registration Number: - VAT code: - Address: - Credit institution: - SWIFT code: - Account number: - represented by its <i>[enter representative or representatives]</i> acting in accordance with <i>[select or enter representation basis]</i>;</p>
---	-----	---

hereinafter individually referred to as “the Party” and collectively as “the Parties”, have entered into the following agreement (hereinafter “the Agreement”):

SPECIAL TERMS AND CONDITIONS

1. Terms used in the Agreement

- 1.1. Auction – an auction organised on the electronic auction website of the Court Administration (<https://izsoles.ta.gov.lv>), in which the SELLER sold and the PURCHASER purchased the Real Property.
- 1.2. The Party – the SELLER and the PURCHASER, each individually.
- 1.3. The Parties – the SELLER and the PURCHASER collectively.
- 1.4. The Agreement – this Agreement on the purchase of the Real Property, which consists of two parts, including all its annexes, amendments and supplements.
- 1.5. The Real Property – the Real Property specified in Clause 2.1 of the Special Terms and Conditions of the Agreement, which is the subject of the purchase.
- 1.6. Security Fee – a payment in the amount of EUR 47100 (Forty-seven thousand one hundred euros) paid by the PURCHASER to the SELLER.
- 1.7. The Bid price – the bid price at the auction EUR *[insert the amount in numbers]* (*[insert the amount in words]*), which includes the Security Fee.
- 1.8. The Purchase Price – the auctioned price that the PURCHASER has committed to pay the SELLER for the purchase of the Real Property.

2. Subject of the Purchase

- 2.1. In the Liepāja City part of Land Register No.100000624142 a Real Property has been registered with cadastral number 17000210309, address: Rīgas iela 56A, Liepāja, consisting of a land unit with cadastral designation 17000210306 2466 m² in area and the building with cadastral designation 17000210196006 with an area of 2566.3 m², together with all accessories.

3. Payment of the Purchase Price and the procedure for signing the corroboration request

- 3.1. The Parties shall sign the corroboration request no later than within 10 (ten) business days from the date of mutual signing of the Agreement {!Or within 10 (ten) business days after payment of the Purchase Price, if

the Purchaser and Seller, in accordance with the Rules of the Auction, have agreed on payment of the remainder of the auctioned price by using a loan from a credit institution. If the PURCHASER is using a loan from a credit institution, the SELLER is entitled to extend the deadline specified in this Clause accordingly!}).

- 3.2. The Parties confirm that the PURCHASER has paid the Purchase Price in full. {!this Clause must be deleted if the Purchase Price has not been paid when the Agreement is entered into!}
- 3.3. The Parties shall submit the corroboration request to the Land Register no later than within 10 (ten) business days after the date of mutual signing of the corroboration request.

4. Procedure of signing the Real Property delivery-acceptance deed

- 4.1. The Parties shall sign the Real Property delivery-acceptance deed no later than within 10 (ten) business days from the date when the PURCHASER'S title to the Real Property has been registered in the Land Register.
- 4.2. The person authorised to sign the act of acceptance and transfer of real estate on behalf of the SELLER – Jānis Počs, project manager of the real estate management function.

5. Special Terms and Conditions

- 5.1. In the Liepāja City part of Land Register No.100000624142 servitude has been registered in favour of Sadales tīkls AS, registration No. 40003857687, on the premises of the building with cadastral designation 1700 021 0196 006 on the 1st floor, Rīgas iela 56A, Liepāja, cadastral designation of the group of premises 1700 021 0196 006 018 , room No. 1 – 7.4 m², room No. 2 – 20.5 m², room No. 3 – 7.4 m², total **35.3 m²** in area.

6. Signatures of the Parties

- 6.1. By signing these Special Terms and Conditions of the Agreement, the Parties agree to the General Terms and Conditions of the Agreement in the attached version.
- 6.2. The Agreement has been signed in [insert data] counterparts, each on [insert data] pages, one counterpart for each Party, and one for filing with the Land Register. All counterparts of the Agreement shall have equal legal power.

{!alternative text to replace the previous paragraph!} The Agreement has been signed with a secure electronic signature and contains a time stamp. The PURCHASER shall send the Agreement signed with a secure electronic signature and containing the time stamp to the SELLER'S e-mail address: kanceleja@latvenergo.lv within one business day after signing the Agreement. The date of signing of the Agreement is the date of the last enclosed safe electronic signature and its time stamp.

THE PURCHASER

THE SELLER

Public Limited Company Latvenergo

[insert representative]

[select or insert a representative]

[insert representative]

[select or insert a representative]

GENERAL TERMS AND CONDITIONS

1. Structure of the Agreement

- 1.1. This Agreement consists of:
 - 1.1.1. Special Terms and Conditions;
 - 1.1.2. General Terms and Conditions.
- 1.2. In the event of any contradictions between the Special Terms and Conditions and General Terms and Conditions of the Agreement arising upon the interpretation of the content of the Agreement, the Special Terms and Conditions of the Agreement shall prevail and the General Terms and Conditions of the Agreement shall be secondary.
- 1.3. The General Terms and Conditions of the Agreement use the terms defined in the Special Terms and Conditions of the Agreement.

2. Subject of the Agreement

- 2.1. The SELLER shall sell and the PURCHASER shall purchase the Real Property for the Purchase Price in the procedure specified in this Agreement.

3. Representations of the Parties

- 3.1. Upon entering into the Agreement, the PURCHASER and the SELLER are aware of the value of the Real Property and waive any complaints towards each other due to excessive loss.
- 3.2. By signing the Agreement, the PURCHASER confirms that it has carefully researched the Real Property, its actual and legal condition is known to the PURCHASER, and it will not make any claims against the SELLER in this regard in the future.

4. Purchase Price and payment procedure

- 4.1. The Real Property shall be sold for the Purchase Price specified in the Agreement. The Purchase Price includes the fee for the purchase of the Real Property with all its accessories, rights, and obligations.
- 4.2. The Party shall ensure its compliance with the requirements of credit and payment institutions for the performance of settlement of accounts with the other Party under the Agreement.

5. Registration of title

- 5.1. The Parties shall sign the corroboration request for the corroboration of title in the Land Register by the deadline specified in the Agreement.
- 5.2. The PURCHASER shall submit the corroboration request and other necessary documents to the relevant Land Register by the deadline specified in the Agreement and shall take all necessary action at the PURCHASER'S expense to corroborate the PURCHASER'S title to the Real Property in the Land Register.
- 5.3. The PURCHASER shall cover the expenses for the services of the sworn notary in certifying the corroboration request and shall pay the costs of the state fee and the stamp duties for the corroboration of the Real Property in the Land Register, etc.
- 5.4. The SELLER shall cooperate with the PURCHASER and the PURCHASER shall cooperate with the SELLER, provide the necessary information, and execute and sign the necessary documents in order to corroborate the PURCHASER's title in the Land Register.
- 5.5. The PURCHASER shall acquire the title of the Real Property at the moment the Agreement is registered in the Land Register and the PURCHASER's title is corroborated.

6. Acquisition of usage rights

- 6.1. The PURCHASER shall inform the SELLER about the corroboration of the title to the Real Property in the Land Register by calling the telephone number of the SELLER'S contact person specified in the Agreement.
- 6.2. The Parties shall sign the Real Property delivery-acceptance deed by the deadline specified in the Agreement. The PURCHASER shall be obliged to present a document certifying the PURCHASER'S title before signing it.

- 6.3. The PURCHASER shall acquire the right to use the Real Property from the moment when the Real Property delivery-acceptance deed is signed.
- 6.4. Payment of the Purchase Price to the SELLER, and signing of the corroboration requests and presentation of a document certifying the title to the SELLER, signing of the Real Property delivery-acceptance deed, shall be considered as the full and final performance of the Agreement by the PURCHASER.
- 6.5. Corroboration of the PURCHASER'S title in the Land Register and signing of the Real Property delivery-acceptance deed shall be considered as the full and final performance of this Agreement by the SELLER.

7. Liability of the SELLER and the PURCHASER, and unilateral termination of the Agreement

- 7.1. Neither Party shall be held liable if any provision of this Agreement is delayed or made impossible by force majeure, i.e., fire, warfare, acts of terror, epidemic, and pandemic, natural disaster, or other circumstances beyond the possible control and influence of the Party whose contractual obligations it affects and which the Party could not have foreseen and is unable to prevent by any reasonable methods available to it, and a similar or other circumstance of the kind listed herein.
- 7.2. If the PURCHASER refuses to sign the corroboration request by the deadline specified in the Agreement and/or has not paid the Purchase Price in full in the procedure set forth in the Agreement, the SELLER shall be entitled to cancel the Agreement by unilateral written notice, but the PURCHASER shall lose the Security Fee paid for the auction.
- 7.3. By signing the Agreement, the Parties declare that international sanctions and national sanctions will be observed in the fulfilment of the Agreement (including such sanctions imposed by a member state of the North Atlantic Treaty Organization, that significantly affect the interests of financial and capital market participants or the interests of the financial and capital market according to the legislation of the Financial and Capital Market Commission), within the meaning of the Law on International Sanctions and National Sanctions of the Republic of Latvia and legal acts issued on the basis thereof (hereinafter – Sanctions) and will take all necessary actions to ensure that the Parties' cooperation with their subcontractors does not create any additional Sanction risks for the other Party, including but not limited to ensuring the cooperation of the Parties with such subcontractors, whose member or shareholder structure is clear and verifiable.
- 7.4. The Party shall immediately notify the other Party in due course if it has established a breach of such Sanctions in relation to the performance of the Agreement in its own or its subcontractors' activities or any relation of the Board or Council members, direct or indirect members, shareholders, beneficial owners with the Sanctions, or the prosecution or punishment of the Party itself or the above-mentioned persons related to it in the European Union due to money laundering, terrorism or its financing, violations of the movement of goods of strategic importance.
- 7.5. At the request of the SELLER, in order to ensure that the SELLER can verify the compliance with the Sanctions, no later than within 5 (five) working days, unless the Parties have agreed on another term, the PURCHASER is obliged to provide the SELLER with:
 - 7.5.1. information based on verifiable facts (for natural persons – name, surname, year of birth, country of citizenship; for legal persons – name, country of registration, registration number) about members of the Contractor's board or council, direct or indirect members, shareholders, beneficial owners or persons who otherwise effectively control the PURCHASER.
- 7.6. By sending a written notice to the PURCHASER, the SELLER is entitled to unilaterally terminate the Agreement or a part thereof, and as a result of such actions the SELLER shall not incur legal liability, including civil liability if at least one of the following cases has occurred:
 - 7.6.1. sanctions have been imposed on the PURCHASER, a member of its board or council, a beneficial owner, an authorised representative or a procurator, a person authorised to represent the PURCHASER in activities associated with its branch or a member of the partnership, a member of its board or council, a beneficial owner, an authorised representative or a procurator, if the PURCHASER is a partnership, on its subcontractor and, as a result, the performance of the Agreement is difficult or impossible;
 - 7.6.2. based on verifiable facts, the SELLER has reasonable suspicions that the PURCHASER's shares are indirectly owned or effectively controlled by a natural or legal person, entity, or body on which the Sanctions have been imposed, including when the credit institution servicing the SELLER refuses to make payments for the fulfilment of the obligations arising from the Agreement, including in cases when additional information or documents are provided to such a credit institution servicing the SELLER for the execution of the respective payment;
 - 7.6.3. the PURCHASER or the person, who is PURCHASER's member of the management board or member of the supervisory board, authorised representative or procurator holder, or the person, who is authorised to represent the PURCHASER in the actions, which are related to its branch, has been found guilty by a prosecutor's penal prescription or court judgment which has entered into force and has become indisputable and non-appealable or has been subject to a coercive measure for any of the following criminal offences:

- 7.6.3.1. establishing, managing of a criminal organisation, involvement in it or an organised group in the composition thereof or any other criminal formation, or participation in any criminal offences committed by such organisation,
 - 7.6.3.2. bribery, misappropriation of a bribe, mediation in bribery activities, illegal participation in property transactions, illegal acceptance of benefits, commercial bribery, illegal demanding, acceptance or giving of benefits, trading in influence,
 - 7.6.3.3. fraud, misappropriation, or money laundering,
 - 7.6.3.4. terrorism, financing of terrorism, establishing or organising a terrorist group, travel for the purpose of terrorism, justification of terrorism, incitement to commit terrorism, terrorism threat or recruitment or training of a person in committing an act of terror,
 - 7.6.3.5. human trafficking,
 - 7.6.3.6. evasion of taxes or payments equal to taxes.
- 7.7. The PURCHASER, by a decision of a competent authority, a prosecutor's penal order or a court judgment which has entered into force and has become indisputable and non-appealable, has been found guilty of an offence manifesting as:
- 7.7.1. employment of one or more persons without the required permit or right to reside in a European Union Member State;
 - 7.7.2. employment of a person without a written labour contract, failure within the prescribed period by the regulations to submit the informative declaration on this person required to be submitted on employees commencing their employment.

8. Protection of personal data

- 8.1. In order to provide the possibility for fulfilling the provisions of the Agreement, including the circulation of information, as well as to perform the legal obligations attributable to the Parties and to meet the legitimate interests of the Parties, the Parties shall be entitled to process personal data (such as data of contact persons of the Parties) obtained from the other Party, subject to the requirements of laws and regulations for the processing and protection of such data, including, but not limited to, the requirements of the General Data Protection Regulation ((EU) 2016/679).
- 8.2. The Party transferring the personal data to the other Party for processing shall be responsible for providing the legal basis for the processing of personal data of the subjects concerned. The Parties have agreed that in order to ensure the performance of the Agreement, the Parties are entitled to transfer the personal data obtained within the framework of the Agreement to third parties, including the Land Register, the State Land Service, a sworn notary as well as other third parties, if in the cases specified by laws and regulations, the requests of such persons are received and the legal basis for the transfer of the personal data specified in the request is established. The Parties have agreed that they may transfer the personal data received from the other Party to persons providing services to the Party to ensure its operations and the performance of this Agreement (processors), including designing merchants, construction merchants, surveying companies, information system maintainers, accounting and legal service providers.
- 8.3. The Parties shall destroy the personal data obtained from the other Party upon the request of the other Party and/or termination of the contractual relationship, if the purpose and legal basis for processing them to ensure the performance of this Agreement expires, unless there is another legal basis for processing personal data.

9. Dispute Resolution Procedure

- 9.1. The Parties shall resolve any disputes and/or discrepancies related to the performance of the Agreement by means of mutual negotiation. If the Parties have failed to negotiate, the Parties shall resolve the disputes in the courts of the Republic of Latvia in accordance with the laws and regulations of the Republic of Latvia.

10. Other Provisions

- 10.1. This Agreement shall enter into force on the date when signed by both Parties.
- 10.2. If any provision of this Agreement becomes invalid in the event of changes in laws and regulations, the other clauses of the Agreement shall remain valid, in which case the Parties shall be obliged to adapt the Agreement to the requirements of the applicable laws and regulations.
- 10.3. Any changes or additions to the Agreement shall be made in writing and signed by both Parties. Such changes and additions shall become integral parts of this Agreement as of the moment of their signing. Amendments to the Agreement need not be prepared in writing in the case specified in Clause 10.5 of the General Terms and Conditions of the Agreement, when the changes are notified by sending a notice.
- 10.4. The provisions of the Agreement shall be binding upon the legal successors of the Parties.

10.5. If any of the Parties changes its legal status, the right of representation of the Parties' employees or any of the Parties' details specified in the Agreement (including credit institution's settlement details), telephone numbers, e-mail addresses, legal addresses, etc., it shall promptly notify the other Party of such in writing. If a Party fails to comply with the provisions of this Clause, it shall be deemed that the other Party has fully complied with its obligations by using the information about the other Party available in the Agreement. The terms and conditions referred to in this Clause shall also apply to the representatives of the Parties and their details specified in the Agreement and its Annexes.