

**Translation of the document “Electronic Auction Regulations (ID No. REAL 2026/14)
for the sale of seven locomotives”**

1. General Provisions

- 1.1. The auction regulations (hereinafter – the Regulations) determine the procedure for organizing the sale of movable property owned by Limited Liability Company LDZ CARGO, registration No.40003788421, legal address Dzirnavu street 147 k-1, Riga, LV-1050, Latvia (hereinafter – the Seller): **5 (five) 2TE10U series and 2 (two) 2M62U series diesel locomotives.**
- 1.2. Method of sale – electronic auction with an ascending bids, hereinafter – the Auction.
- 1.3. The Auction is organized on the electronic auction website <http://auctioncargo.ldz.lv>, hereinafter – the EAW.
- 1.4. The organizer of the Auction is the Auction Commission established by the Seller, hereinafter – the Commission.
- 1.5. The Auction starts on **13 August 2026 at 10:00**. The bidding period for the first auction lot (Lot No. 1) ends on **13 August 2026 at 15:00**. The end of the bidding period for each subsequent lot is set at an interval of 10 (ten) minutes after the end of the previous lot.
- 1.6. The Seller shall not compensate Auction participants for any expenses and/or losses incurred in connection with preparation for and participation in the Auction.
- 1.7. Personal data of natural persons included in the documents related to the Auction will be processed on the basis of Article 6(1)(f) of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), and Section 25, Paragraph one of the Personal Data Processing Law.

2. Information on Movable Property

- 2.1. In the Auction, the Seller sells **5 (five) 2TE10U series diesel locomotives (No. 0215, No. 0217, No. 0220, No. 0222, No. 0224) and 2 (two) 2M62U series diesel locomotives (No. 0008, No. 0009)**, hereinafter – the Locomotives.
- 2.2. Annex 2 to the Regulations specifies the characteristics of the Locomotives (model, number, year of manufacture, repairs).
- 2.3. The locomotives are not subject to any encumbrances or liens..
- 2.4. The location of the Locomotives is: the sidings of Limited Liability Company LDZ CARGO at Rezekne I Station (Rezekne Municipality, Latvia).
- 2.5. The Locomotives may be inspected at their location by prior arrangement with the Seller’s contact person regarding the inspection date, time, and exact location of the Locomotives.
- 2.6. The Seller shall transfer and the buyer shall accept the Locomotives at the location specified in Clause 2.4 of the Regulations.
- 2.7. All costs associated with the re-registration of the locomotives in the purchaser’s name, as well as, where necessary, the processing of documents for the export of the Locomotives from the territory of the Republic of Latvia, shall be borne by the buyer.
- 2.8. A buyer registered in the Republic of Latvia (hereinafter – Latvia) must remove the Locomotive(s) from the territory of the location of the Locomotives specified in Clause 2.4 of the Regulations no later than within 45 (forty-five) calendar days after the purchase agreement has been signed by both parties. If there is a justified need (preparation of the Locomotive for export, repairs, etc.) The Seller and the buyer may agree to extend the deadline for the removal of the Locomotives and/or to move the Locomotive(s) to another site owned by the Seller, provided that, from the

46th (forty-sixth) day following the mutual signing of the agreement, the buyer shall pay the Seller the fee for the storage of the locomotives as specified in the purchase agreement.

- 2.9. A buyer registered in another European Union (hereinafter – the EU) Member State or outside the EU must remove the Locomotives from the territory of the location of the Locomotives specified in Clause 2.4 of the Regulations and from the territory of Latvia or, respectively, from the territory of the EU no later than within 60 (sixty) calendar days after the purchase agreement has been signed by both parties. If there is a justified need (preparation of the locomotive for export from the Republic of Latvia or the EU, repairs, etc.) the Seller and the Buyer may agree to extend the deadline for the export of the Locomotives and/or to move the Locomotive(s) to another site owned by the Seller, provided that, from the 61st (sixty-first) day following the mutual signing of the agreement, the buyer shall pay the Seller the fee for the storage of the locomotives as specified in the purchase agreement.

3. Auction Starting Price and Auction Bid Increment

- 3.1. The Locomotives are sold in **7 (seven)** lots.
- 3.2. The Auction starting price and the Auction bid increment:

Lot No.	Name of Locomotive	Auction Starting Price, EUR excluding VAT	Auction Bid Increment, EUR
1.	Diesel Locomotive 2TE10U-0215	184 100	100
2.	Diesel Locomotive 2TE10U-0217	184 100	100
3.	Diesel Locomotive 2TE10U-0220	210 300	100
4.	Diesel Locomotive 2TE10U-0222	197 800	100
5.	Diesel Locomotive 2TE10U-0224	197 800	100
6.	Diesel Locomotive 2M62U-0008	150 000	100
7.	Diesel Locomotive 2M62U-0009	150 000	100

- 3.3. Value added tax shall be applied to the purchase price in accordance with the requirements of the Value Added Tax Law of the Republic of Latvia.
- 3.4. The Purchase Price shall be payable on the basis of the Seller's invoice within 10 (ten) calendar days after the mutual signing of the agreement and the date of issuance of the Seller's invoice. The Parties may agree on the use of an escrow account, provided that all of the following conditions are met:
- 3.4.1. the escrow account is opened with a credit institution registered in the Republic of Latvia or a branch of a foreign credit institution in Latvia;
- 3.4.2. the purchase price for the Locomotive(s) is credited to the escrow account within 10 (ten) calendar days after the mutual signing of the agreement and the date of issuance of the Seller's invoice;
- 3.4.3. the Purchase Price held in the escrow account is credited to the Seller's account no later than 1 (one) business day prior to the removal of the Locomotive(s) from the location specified in Clause 2.4 of the Regulations.
- 3.5. If the purchase agreement is concluded with a buyer registered outside the EU and value added tax is paid, it shall be refunded within 5 (five) working days from the day on which the Seller has been provided with documents confirming the removal of the Locomotive from the territory of the European Union (SMGS railway consignment note and/or CMR international consignment note, export customs declaration, or other documents clearly confirming the removal of the Locomotive from the territory of the EU).
- 3.6. If the purchase agreement is concluded with a buyer registered in another EU Member State and value added tax is paid, it shall be refunded within 5 (five) working days from the day on which

the Seller has been provided with documents confirming the removal of the Locomotive from the territory of the Republic of Latvia (SMGS railway consignment note and/or CMR international consignment note, or other documents clearly confirming the removal of the Locomotive from the territory of the Republic of Latvia and its entry into another EU Member State).

4. Announcement of the Auction

- 4.1. The Seller shall publish information about the Auction in the official publication "Latvijas Vēstnesis", on the website <http://ldzcargo.ldz.lv> and on the electronic auction website <http://auctioncargo.ldz.lv>.

5. Auction Participants

- 5.1. An Auction participant may be a legal entity registered in the European Union or in a third country (except for the Russian Federation and the Republic of Belarus).
- 5.2. The Commission Secretary shall not authorize as a participant in the Auction any person to whom any of the following conditions apply:
 - 5.2.1. insolvency proceedings have been initiated against the Auction participant, its business operations have been suspended or terminated, or it is being liquidated;
 - 5.2.2. the Auction participant is subject to international or national sanctions, or to sanctions imposed by a Member State of the European Union or the North Atlantic Treaty Organisation which significantly affect financial and capital market interests.
- 5.3. The Commission Secretary has the right not to authorize for the Auction a participant to whom any of the following conditions apply:
 - 5.3.1. in Latvia or in the country where the Auction participant is registered, the participant has tax debts (including compulsory state social insurance contribution debts) which in total in any of the countries exceed EUR 150;
 - 5.3.2. on the Auction registration date, the Auction participant has outstanding debt obligations to the Seller.
- 5.4. To become an Auction participant, a person must create an EAW account (instructions for using the EAW are available at <https://auctioncargo.ldz.lv> in the "User Guideline" section) and submit the documents referred to in Clause 5.5 of the Regulations to the Commission secretary by e-mail (specified in Clause 9.1.2 of the Regulations). After checking the documents, the Commission secretary authorizes the Auction participant, who will then be able to register for the Auction.
- 5.5. Persons wishing to be authorized to participate in the Auction must submit the following documents to the Commission secretary by e-mail by **12 August 2026 at 10:00**:
 - 5.5.1. For legal entities registered in the Republic of Latvia:
 - 5.5.1.1. a power of attorney (signed with a secure electronic signature) to represent the legal entity in the Auction, if the legal entity is not represented by a member of the executive body of the legal entity indicated in the public database of the Commercial Register of the Republic of Latvia who has separate representation rights.
 - 5.5.1.2. the Cooperation Partner identification form for legal entities completed in accordance with Annex 3 to the Regulations (signed with a secure electronic signature).
 - 5.5.2. For legal entities registered in another country:
 - 5.5.2.1. a copy of the registration certificate;

- 5.5.2.2. the articles of association and/or the decision of the founder (participants/shareholders) on the appointment of members of the executive body of the legal entity with separate representation rights;
 - 5.5.2.3. a certificate issued by a competent authority in the country where the applicant is registered, confirming that the applicant has no tax debts in the respective country (including compulsory state social insurance contribution debts) which in total exceed EUR 150;
 - 5.5.2.4. a document issued by a competent authority confirming the representation rights and their scope (or another confirmation), if the laws and regulations of the respective country do not provide for public registration of such information. If the Auction participant is represented by a person not mentioned in the said document, a power of attorney must additionally be attached (signed in PDF format with a secure electronic signature, indicating the website for verifying the authenticity of the signature);
 - 5.5.2.5. the Cooperation Partner identification form for legal entities completed in accordance with Annex 3 to the Regulations (signed in PDF format with a secure electronic signature, indicating the website where the authenticity of the signature can be verified).
- 5.6. The documents referred to in Clauses 5.5.2.1–5.5.2.5 of the Regulations must be accompanied by a translation into Latvian or English.
 - 5.7. The Commission secretary has the right not to authorize an applicant to participate in the Auction if any of the documents referred to in Clause 5.5 of the Regulations has not been submitted and/or the submitted document does not comply with the requirements of Clauses 5.5–5.6 of the Regulations.
 - 5.8. After reviewing the documents submitted by applicants, the Commission secretary authorizes the Auction participant using the EAW or informs the applicant of refusal of authorization. Information on the authorization result is sent to the applicant's e-mail address indicated in the EAW.
 - 5.9. After the Auction has taken place, the Commission secretary removes the authorization status from all Auction participants.

6. Auction Procedure

- 6.1. The Auction bidding period is specified in Clause 1.5 of the Regulations.
- 6.2. The Auction bidding time for a lot in the EAW is automatically renewed to 15 minutes from the time of the last bid if bidders continue to submit bids within 15 minutes before the end of the Auction, until the last bidder places their bid. Extension of the closing time of one lot (due to last-minute bids) does not affect or postpone the bidding closing times of subsequent lots.
- 6.3. After the end of the Auction, the EAW displays the bidding time and the highest bid amount. The Auction time is extended until 13:00 on the next working day if bidding was not possible during the last 10 minutes before the Auction closing due to EAW malfunctions.
- 6.4. After the end of the Auction, the Commission secretary prepares minutes on the Auction result, attaching the data received from the EAW on the Auction bids and the bidder. The minutes are approved by the Commission.
- 6.5. If the bidder who was the first to bid the highest price, hereinafter – the Successful Bidder, refuses to conclude the purchase agreement, the Seller may invite the Auction participant who was outbid by the Successful Bidder to purchase the Locomotive.
- 6.6. The Auction shall be declared not to have taken place if:
 - 6.6.1. no participant has registered for the Auction;
 - 6.6.2. no registered participant bids the Auction starting price;

- 6.6.3. information is received regarding significant legal or technical defects of the Auction object which were not known before the start of the Auction and which could affect potential participants' ability to make an informed decision on participating in the Auction;
- 6.6.4. international or national sanctions, or sanctions imposed by a Member State of the European Union or the North Atlantic Treaty Organisation that significantly affect financial and capital market interests, have been applied to the Successful Bidder;
- 6.6.5. the Seller's Management Board does not approve the Auction results;
- 6.6.6. during the Auction or within 24 (twenty-four) hours after the Auction closing, a notification is received regarding significant EAW malfunctions that may affect the Auction results, or regarding breaches of the EAW security system.

7. Submission of Claims, Approval of Auction Results and Conclusion of the Agreement

- 7.1. Auction participants have the right to submit a written claim to the Commission regarding the organization of the Auction. The Commission shall provide a written response within 3 (three) working days from the date of receipt of the claim.
- 7.2. No later than within 10 (ten) working days after the closing of the Auction, the Commission shall submit the Auction minutes to the Seller's Management Board for approval.
- 7.3. Only after the Auction results have been approved by the Seller's Management Board does the Successful Bidder or the Auction participant referred to in Clause 7.6 of the Regulations acquire the right to purchase the Locomotives. The Auction minutes approved by the Seller's Management Board constitute the basis for preparing and signing the purchase agreement for the Locomotives.
- 7.4. The Seller shall inform the Successful Bidder of the decision adopted by the Seller's Management Board, send the draft agreement and invite the Successful Bidder to conclude the purchase agreement for the Locomotives within 5 (five) working days.
- 7.5. If the Successful Bidder has not signed the purchase agreement within 10 (ten) working days from the date on which the draft agreement was sent, the Seller has the right to consider that the Successful Bidder has refused to purchase the Locomotives.
- 7.6. In the case referred to in Clause 7.5 of the Regulations, the Commission shall invite the bidder with the next highest bid to conclude the purchase agreement for the Locomotives at the price offered by that bidder in the Auction. If this Auction participant agrees, Commission minutes shall be prepared, indicating the said circumstances, and the minutes shall be submitted to the Seller's Management Board for approval. If the Commission minutes are approved by the Management Board, the purchase agreement for the Locomotives shall be concluded with the Auction participant indicated in the Management Board's decision.

8. Procedure for Payment of the Purchase Price and Other Payments

- 8.1. After the purchase agreement for the Locomotives has been signed by both parties, the Seller shall, in accordance with the terms of the purchase agreement, issue an invoice to the Buyer for the acquisition of the Locomotives, which the Buyer shall pay in the amount and within the term specified in the Agreement.

9. Seller's Contact Persons

- 9.1. Seller's contact persons:
 - 9.1.1. for technical matters – **Aleksejs Ivčenko**, phone: (+371)29531773, e-mail: aleksejs.ivcenko@ldz.lv
 - 9.1.2. Commission secretary – **Inese Stendzeniece**, phone: (+371)25719192, e-mail: iepirkumi.cargo@ldz.lv

Annexes:

Annex 1 – Draft Agreement;

Annex 2 – Technical Specification of the Locomotives;

Annex 3 – Cooperation Partner Identification and Questionnaire Form for Legal Entities.

The provisions of the draft agreement may be mutually clarified before signing the final Agreement with the successful bidder, provided that such clarifications are related to documenting the auction results and are not considered material amendments within the meaning of the Auction Regulations.

Purchase Agreement No. - _____

Riga, _____ 2026

or the agreement date is the date of the last attached secure electronic signature and time stamp

Limited Liability Company LDZ CARGO, registration No. 40003788421 (hereinafter – the Seller), represented on the basis of authorisation No. K-7.1/37-2026 of 15 June 2026 by the Chairman of the Management Board Raimonds Freimanis and Management Board Member _____, on the one part, and _____, registration No. _____ (hereinafter – the Buyer), represented by its _____ acting on the basis of _____, on the other part, both jointly – the Parties, enter into this purchase agreement (hereinafter – the Agreement).

1. Subject Matter of the Agreement

- 1.1. The Seller sells and transfers to the Buyer, and the Buyer purchases and accepts from the Seller, the following movable property owned by the Seller: _____ (hereinafter – the Property), which the Buyer has acquired in the auction organized by the Seller on _____ 2026 _____ (held on the electronic auction website <http://auctioncargo.ldz.lv>).
- 1.2. Brief description of the Property: locomotive(s) with the following technical characteristics: *Include information in accordance with Annex 2 to the Auction Regulations and the Auction results.*
- 1.3. Before signing this Agreement, the Buyer has fully familiarized itself with the actual and technical condition of the Property, has recognized it as suitable for its purposes, and accepts it in the condition in which it is at the time of conclusion of the Agreement. The Buyer waives any rights to bring claims or complaints against the Seller in the future in connection with the condition of the Property.
- 1.4. The Parties confirm that they are aware of the value of the Property and waive the right to make mutual claims for cancellation of the Agreement or amendment of the purchase price due to excessive loss.

2. Purchase Price and Payment Terms

- 2.1. The purchase price is _____ EUR (_____), plus value added tax (VAT) _____ EUR (_____).
- 2.2. The Buyer undertakes to pay the purchase price on the basis of the invoice issued by the Seller no later than within 10 (ten) calendar days after the date of signing of the Agreement by transferring it to the Seller's account – SIA "LDZ CARGO", unified registration number 40003788421, AS Luminor Bank Latvian branch, account No. LV08RIKO0000082999854. The date of payment of the purchase price shall be deemed to be the date on which the amount specified in the invoice is credited to the Seller's account. (Minimum requirements for the escrow account: If the payment of the purchase price for the Property specified in Clause 2.1 of the Agreement is made using an escrow account, the purchase price in the amount specified in Clause 2.1 of the Agreement:

- 2.2.1. shall be deposited into the escrow account no later than within 10 (ten) calendar days after the date of mutual signing of the Agreement;
- 2.2.2. shall be credited to the Seller's account specified in Clause 2.2 of the Agreement no later than 1 (one) business day prior to the removal of the Property from the territory of the location of the Property specified in Clause 3.1 of the Agreement.
- 2.3. In the event of a delay in the payment deadline (Clause 2.2 of the Agreement) for the purchase price (Clause 2.1 of the Agreement), the Buyer shall pay the Seller default interest in the amount of 0.1% (zero point one percent) of the overdue payment amount for each day of delay. (In the case of an escrow account, the clause shall be supplemented as follows: The Seller shall prepare the Property for transfer to the Buyer after the purchase price has been credited to the Seller's account in full).
- 2.4. The Buyer shall cover all expenses related to the preparation of the Property for transportation and the transportation of the Property from the place of transfer of the Property.
- 2.5. The Buyer shall acquire ownership rights to the Property after the purchase price has been credited in full to the Seller's account specified in the Agreement.
- 2.6. Default interest and other payments provided for in the Agreement shall be made on the basis of issued invoices within 10 (ten) calendar days after the issuance of the invoice. Any payments arising from this Agreement shall be credited in accordance with the provisions of Article 1843 of the Civil Law, i.e., the payment shall first be credited towards unpaid interest and then towards the settlement of the principal debt.

3. Procedure for Acceptance and Transfer of the Property

- 3.1. The Seller shall transfer and the Buyer shall accept the Property **at the sidings of Limited Liability Company LDZ CARGO at Rezekne I Station (Lokomotivju street 23, Rezekne).**
- 3.2. The Seller shall transfer the Property to the Buyer only after the purchase price has been credited to the Seller's account in full, upon mutual agreement on the time and place of the transfer of the Property. The transfer and acceptance of the Property shall be recorded by the Parties signing a property acceptance and transfer deed.
- 3.3. The Seller shall transfer the Property to the Buyer together with the technical documentation (.....) on the basis of an acceptance-transfer deed, which on behalf of the Seller shall be signed by _____, phone _____, mobile _____, fax: _____, e-mail: _____, and on behalf of the Buyer by _____, phone _____, mobile _____, fax: _____, e-mail: _____.

4. Obligations and Liability of the Parties

- 4.1. The Buyer undertakes to accept the Property and sign the acceptance-transfer deed in accordance with the terms of the Agreement.
- 4.2. *(If applicable)* A Buyer registered in the Republic of Latvia (hereinafter – the RL) shall remove the Property from the territory of the location of the Property specified in Clause 3.1 of the Agreement no later than within **45 (forty-five) calendar days** after the mutual signing of the Agreement. In the event of a justified necessity (repair of the Property, other justified reasons), the Seller and the Buyer may agree on the extension of the deadline for the removal of the Property and/or the relocation of the Property to another territory of the Seller, provided that starting from the 46th (forty-sixth) day after the mutual signing of the Agreement, the Buyer shall pay the Seller a storage fee for the Property in the amount of EUR 25.00 (twenty-five euros and 00 cents) per day for each locomotive.

- 4.3. *(If applicable)* A Buyer registered in another European Union (hereinafter – the EU) member state or outside the EU shall remove the Property from the territory of the location of the Property specified in Clause 3.1 of the Agreement and from the territory of the RL or, accordingly, the territory of the EU no later than within **60 (sixty) calendar days** after the mutual signing of the Agreement. In the event of a justified necessity, the Seller and the Buyer may agree on the extension of the deadline for the removal of the Property and/or the relocation of the Property to another territory of the Seller (preparation of the Property for removal from the RL and the EU, repair, other justified reasons), provided that starting from the 61st (sixty-first) day after the mutual signing of the Agreement, the Buyer shall pay the Seller a storage fee for the Property in the amount of EUR 25.00 (twenty-five euros and 00 cents) per day for each locomotive.
- 4.4. From the moment of signing the Property acceptance-transfer deed, the Buyer is responsible for compliance with the requirements of laws and regulations regarding the operation of the Property, maintenance of its technical condition and traffic safety, and fully assumes all risks related to damage to or loss of the Property due to culpable acts or omissions by the Buyer or other persons.
- 4.5. The Buyer represents and warrants that it:
- 4.5.1. will comply with the laws and regulations of the Republic of Latvia, the European Union and the United Nations, including laws, regulations, decisions and resolutions, which include and/or are related to the application of sanctions and other restrictions concerning a number of persons, jurisdictions and territories, including but not limited to Iran, Syria, North Korea, Crimea and North Sudan;
 - 4.5.2. will not enter into, will terminate and will not maintain business relations with persons who violate the sanctions and restrictions referred to in Clause 4.5.1 of the Agreement;
 - 4.5.3. upon the Seller's first written request, within the term and in the format specified therein, will submit information and documents related to the Buyer's economic and professional activities in order to confirm sanctions compliance.
- 4.6. The Buyer is aware of and agrees that in the event of a violation of the provisions of Clause 4.5 of the Agreement:
- 4.6.1. the Seller has the right not to perform the obligations assumed under the Agreement, as well as to immediately and unilaterally terminate the Agreement and all other legal relations with the Buyer, and to take other actions provided for in laws and regulations and in any other existing contractual relations with the Buyer;
 - 4.6.2. the Buyer is fully liable and undertakes to cover all losses incurred by the Seller as a result of such breaches due to the Buyer's fault.
- 4.7. Payment of the contractual penalty and default interest specified in the Agreement shall not release the Buyer from the obligation to compensate losses and to fulfil the obligations set out in the Agreement.

5. Dispute Resolution

- 5.1. The obligations of the Parties arising from the Agreement shall be governed by the laws and regulations of the Republic of Latvia.
- 5.2. All disputes and disagreements that may arise from the Agreement or in connection with the Agreement shall be resolved by the Parties through mutual negotiations.
- 5.3. Each Party is entitled to send a written claim to the other Party in accordance with the procedure set out in Clause 11.3 of the Agreement. The claim must be reasoned and supported by documents. The Parties agree that claims shall be reviewed within no more than 10 (ten) days from the moment of receipt.
- 5.4. If, within 1 (one) month from the moment the dispute arises, the Parties cannot agree on resolving the dispute through negotiations, the dispute shall be resolved by a court of the

Republic of Latvia in accordance with the procedure established by the laws and regulations of the Republic of Latvia.

6. Term of the Agreement and Termination

- 6.1. The Agreement shall enter into force on the date of its mutual signing and shall remain in force until **31.12.2026**. With respect to unfulfilled obligations of the Parties, claims for damages, and payment of contractual penalties, the Agreement shall remain in force until the Parties have fully and properly fulfilled the obligations arising from the Agreement. The Parties shall have the right to agree in writing on the extension of the term of the Agreement if there is a justified reason for doing so (agreement of the Parties on the extension of the deadline for the removal of the Property, other justified reasons).
- 6.2. The Agreement may be terminated by mutual written agreement of the Parties.
- 6.3. The Seller is entitled to terminate the Agreement unilaterally in any of the following cases:
 - 6.3.1. if insolvency proceedings have been declared against the Buyer, its economic activity has been suspended or terminated, liquidation proceedings of the Buyer have been initiated, or the Buyer's economic activity has been suspended in accordance with Section 34¹ of the law "On Taxes and Duties";
 - 6.3.2. if performance of the Agreement is impossible because international or national sanctions, or sanctions imposed by a Member State of the European Union or the North Atlantic Treaty Organisation that significantly affect financial and capital market interests, have been applied to the Buyer;
 - 6.3.3. the Buyer fails to perform or improperly performs the obligations set out in the Agreement and does not remedy the breach within the period specified in the Seller's written notice of breach of the Agreement, which shall not be shorter than 10 (ten) calendar days.
- 6.4. If the Agreement is terminated in accordance with Clauses 6.3.1 and/or 6.3.2 of the Agreement, the Seller shall send the Buyer written notice thereof in accordance with the procedure set out in Clause 11.3 of the Agreement, and the Agreement shall be terminated immediately.
- 6.5. If the Agreement is terminated in accordance with Clause 6.3.3 of the Agreement, the Seller shall send the Buyer written notice thereof in accordance with the procedure set out in Clause 11.3 of the Agreement, and the Agreement shall be terminated within the term specified in the Seller's notice.

7. Confidentiality

- 7.1. The terms of the Agreement, as well as information related to the cooperation of the Parties or obtained by the Parties as a result of performance of the Agreement, shall be considered the Parties' trade secret and may not be disclosed to third parties without the prior written consent of the other Party during the term of the Agreement and thereafter. This obligation shall not apply to information that is publicly available or to information that must be disclosed to the relevant state authorities in accordance with applicable laws and regulations, if such information is provided to those authorities.
- 7.2. The Party receiving information containing the other Party's trade secret undertakes to use such information solely for the purpose specified in Clause 1.1 of the Agreement, respecting the Parties' commercial interests and this confidentiality obligation.
- 7.3. The Buyer is not entitled, without the Seller's prior consent, to process information received from the Seller within the framework of performance of the Agreement using artificial intelligence or machine learning tools where the Seller's information is transferred, stored, processed or becomes accessible outside the environment controlled by the Seller. Such

action shall be deemed unauthorized transfer of information to third parties and a breach of the Agreement.

8. Personal Data Protection

- 8.1. The Parties confirm that they have been informed that personal data submitted by one Party, if necessary for performance of the Agreement, may be processed only in accordance with the subject matter of the Agreement, to the extent specified in the Agreement, for the term of the Agreement, and only in accordance with the requirements of applicable laws and regulations.
- 8.2. The Parties shall ensure that the employees indicated in this Agreement as contact persons are informed about the right to transfer contact information related to them within the framework of employment relationships and for ensuring the performance of official duties, as well as about the rights of employees as data subjects in accordance with applicable laws and regulations in the field of personal data protection.
- 8.3. The Parties undertake to ensure a level of protection for personal data submitted by the other Party that complies with applicable laws and regulations.
- 8.4. The Parties undertake not to transfer personal data submitted by the other Party to third parties. If, in accordance with applicable laws and regulations, the Parties may have such an obligation, they shall inform the other Party thereof before transferring the personal data, unless prohibited by applicable laws and regulations.
- 8.5. Each Party shall be independently liable to the data subject for non-compliance with personal data protection and processing Regulations and, if the Party's liability is established, the Party shall satisfy the data subject's claims in connection with the personal data breach and its remediation, as well as pay administrative fines related to the personal data breach and compensate the amounts of losses awarded by a court judgment.
- 8.6. The Parties undertake to destroy personal data submitted by the other Party as soon as the need to process such data ceases.

9. Business Ethics

- 9.1. By signing the Agreement, the Buyer confirms that it has familiarized itself with the *Business Ethics Basic Principles for Cooperation Partners of the "Latvijas dzelzceļš" Group* published on the website of the "Latvijas dzelzceļš" Group at **www.ldz.lv** (hereinafter – the *Basic Principles*), complies with them and undertakes to continue strictly observing them itself and to ensure that they are also observed by its employees and subcontractors involved in the performance of the Agreement.
- 9.2. The Buyer is obliged to immediately inform the Seller if a situation is identified in which any of the *Basic Principles* has been breached, and to inform the Seller of the measures being taken to resolve the situation and prevent its recurrence in the future. If such information is not provided, but the Seller becomes aware that the Buyer has breached any of the *Basic Principles*, further cooperation shall be assessed in accordance with the procedure and to the extent provided for by the laws of the Republic of Latvia.
- 9.3. If, in the course of performance of the Agreement, the Buyer obtains information or has reasonable suspicion that an employee of the Seller's company, personally or through an intermediary, requests, accepts or offers any type of material value, property-related or other benefit to any persons with the aim of achieving the adoption of certain unlawful decisions, obtaining unlawful benefits or advantages, or achieving another selfish purpose in the personal interests of the employee, the Seller or any other persons, the Buyer is obliged to immediately inform the Security Directorate of the parent company of the "Latvijas dzelzceļš" Group by using the reporting options on the Group's website at **www.ldz.lv**. The notification must include information, facts or materials that credibly indicate the above-

mentioned actions or provide reasonable grounds for suspicion of such actions. "Latvijas dzelzceļš" guarantees that the information will be evaluated comprehensively and objectively and that no unjustified negative consequences or actions will be taken against the whistleblower, the company represented by the whistleblower or other employees of that company.

10. Force Majeure Circumstances

- 10.1. If either Party is unable, in whole or in part, to perform its obligations under this Agreement due to the following circumstances – fire, natural disaster, war, blockade, prohibition on exporting or importing goods, or similar circumstances – the deadlines for performance of the contractual obligations shall be extended by the Parties accordingly for the duration of such circumstances.
- 10.2. The Party for whom performance of the contractual obligations has become impossible shall notify the other Party in writing of the commencement and end of the above-mentioned circumstances, submitting relevant evidence, no later than within 5 (five) working days.
- 10.3. If, due to force majeure circumstances, performance of the Agreement is impossible for more than 30 (thirty) days, each Party has the right to terminate the Agreement unilaterally. If the Agreement is terminated in this manner, neither Party has the right to claim compensation for losses from the other Party.

11. Other Provisions

- 11.1. Any amendments and additions to the Agreement shall be made in writing and, after being signed by both Parties, shall be attached to this Agreement as an integral part thereof.
- 11.2. The Buyer is not entitled, without the Seller's written consent, to transfer, in whole or in part, the rights and obligations set out in this Agreement to third parties.
- 11.3. The Parties agree that any notice, request or other information and communication to be provided, requested or permitted under this Agreement shall be submitted in writing and shall be deemed submitted if it:
 - 11.3.1. has been submitted in person or delivered by a courier or delivery service provider – on the actual delivery date, as confirmed by the other Party's acknowledgement of receipt of the document;
 - 11.3.2. has been sent by registered mail to the other Party's legal address – on the seventh day after the date indicated on the postal institution's stamp confirming acceptance of the registered item for sending;
 - 11.3.3. has been sent to the other Party's e-mail address indicated in the Agreement details – on the second working day.
- 11.4. In the cases referred to in Clause 11.3 of the Agreement, if documents have been submitted in accordance with the above on a day that is not a working day or after normal working hours, they shall be deemed received on the next working day. For the purposes of this Agreement, a working day is a day from Monday to Friday, except where the respective day is a day off or public holiday under the laws and regulations of the Republic of Latvia.
- 11.5. Reorganization of the Parties or a change of their managers may not constitute grounds for termination of the Agreement. If either Party is reorganized or liquidated, the Agreement shall remain in force and its provisions shall be binding on the legal successor of the Party.
- 11.6. Matters not regulated in this Agreement shall be resolved by the Parties in accordance with the laws and regulations in force in the Republic of Latvia.
- 11.7. If the details indicated in Section 12 of the Agreement change for either Party, that Party shall immediately notify the other Party by letter signed by a person authorised to represent the respective Party.

11.8. The Agreement has been prepared in Latvian (with an English translation, if necessary) as an electronic document and, together with Annex 1, signed with a secure electronic signature containing a time stamp. The date of signing of the Agreement is the date of the last attached secure electronic signature and its time stamp.

12. Details and Signatures of the Parties

Seller:

Limited Liability Company LDZ CARGO

Registration No. 40003788421

VAT registration No. LV40003788421

Legal address: Dzirnavu iela 147 k-1, Riga, LV-1050, Latvia

Bank details:

AS Luminor Bank Latvian branch

Account No. LV08RIKO0000082999854

SWIFT code: RIKOLV2X

Means of communication:

Phone: _____

E-mail: _____

/...../ _____

/...../ _____

Buyer:

Name / given name and surname

Registration No. / personal identity number

VAT registration No.

Legal address / declared address

Bank details:

Bank name _____

Account No. _____

SWIFT code: _____

Means of communication:

Phone: _____

E-mail: _____

/...../ _____

The Agreement has been signed with a secure electronic signature and contains a time stamp

Annex 2 to the Regulations

Technical Specification of the Locomotives

	2TE10U-0215	2TE10U-0217	2TE10U-0220	2TE10U-0222	2TE10U-0224	2M62U-0008	2M62U-0009
Year of manufacture	1990	1990	1991	1991	1991	1987	1987
Total mileage (km)	3 154 208	3 354 088	3 342 259	3 230 967	3 247 358	3 143 450	3 052 990
Service life of the body	05.2024.	12.2024.	10.2026.	10.2024.	11.2024.	03.2026.	10.2018
Last overhaul (GR (KP-2))	06.2017.	04.2016.	10.2016.	10.2017.	03.2016.	12.2015.	10.2015.
Mileage since overhaul (km)	289 876	542 481	480 823	263 607	497 457	473 410	171 422
Last current repair TR-3	05.2019.	12.2019.	09.2020.	10.2019.	11.2019.	03.2021.	---
Mileage since current repair TR-3 (km)	83 589	141 078	72 200	49 486	99 701	70 685	---
Last current repair TR-1	10.2019.	12.2021.	---	---	09.2020.	11.2022.	05.2017.
Mileage since current repair TR-1 (km)	33 140	51 577	---	---	48 906	17 216	19 445
Held in long-term reserve (conservation) since:	04.2020.	01.2023.	06.2022.	06.2021.	05.2022.	12.2023.	10.2017.

All locomotives are maintained in long-term reserve (conservation works have been carried out on the locomotives) in accordance with the locomotive operating Regulations. The locomotives are fully equipped, except for batteries, speedometers and radio stations.

**COOPERATION PARTNER'S IDENTIFICATION FORM
FOR LEGAL ENTITIES**

In accordance with the objectives of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing and the requirements for monitoring transactions of the subjects of the law (including credit institutions of the Republic of Latvia) in order to prevent possible risks related to money laundering and terrorism and proliferation financing, please submit the necessary information by filling out this form for **LDZ CARGO Ltd.**:

1. Name of legal entity (including members of a partnership):

2. Registration number/ equivalent:

3. Country of registration:

4. Persons entitled to represent:

Name, surname, personal number of the person entitled to representation; if the person does not have a personal number, there has to be an analogue, for example, date of birth, month, year, citizenship (nationality)¹.

5. The Board:

Name, surname, personal number of the chairperson of the board/member of the board; if the person does not have a personal number, there has to be an analogue, for example, date of birth, month, year, citizenship (nationality)¹.

6. Council (if established):

Name, surname, personal number of the chairperson of the council/member of the council; if the person does not have a personal number, there has to be an analogue, for example, date of birth, month, year, citizenship (nationality)¹.

7. Beneficial owner/s ²:

Within the meaning of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing, a *beneficial owner* is a *natural person* who is the owner of the legal entity, or on whose behalf, for the benefit, in the interest of which the business relationship is established or the transaction is carried out, and is at least:

- a) A natural person who owns, in the form of direct or indirect shareholding, more than 25% of the capital shares of voting stock of the customer's company
- b) A natural person who directly or indirectly exercises control of the company's operations

Name, surname, personal number (if the person does not have a personal number, there has to be an analogue, for example, date of birth, month, year), citizenship (nationality)¹, the beneficial owner directly or indirectly owns more than 25% of the legal entity's capital shares/voting stock.

I/we hereby confirm that, using all possible means of determination, we have concluded that it is not possible to identify any natural person who is a beneficial owner within the meaning of Section

1, Paragraph 5 of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing, and doubts that the legal person has a beneficial owner have been excluded.

A beneficial owner cannot be identified because the cooperation partner is:

- ☐ A derived public entity
- ☐ An institution of direct or indirect administration
- ☐ A capital company controlled by the State or a local government
- ☐ A merchant whose stocks are admitted to trading on a regulated market

8. What is the company's line of business? Please provide a description of the company (website address, location of branches and production facilities, if any):

9. Has there been any change in shareholders or participants in your company within the last three years?

- ☐ Yes (please specify): _____
- ☐ No

10. By signing this identification and survey form, the Cooperation Partner hereby confirms that, in the event of any changes to the information provided in the form, the Partner shall immediately notify the Company by submitting the updated information to the Company by sending the latest information to the registered office or email cargo@ldz.lv of LDZ CARGO Ltd.

Legal representative:	The status of the person (Member of the Board, Procurator, authorized person, other)
	Name, surname
	Signature ³
	Date

¹ Personal data mentioned in this paragraph are processed by the "Latvijas dzelzceļš" Group pursuant to Regulation (EU) 2016/679 of the European Parliament and of the Council (27 April 2016) On the Protection of Natural Persons with Regard to the Processing of Personal Data and the Free Movement of Such Data (hereinafter referred to as GDPR):

- 1/ Based on requirements of Article 6, Paragraph 1 b) of GDPR, for commencing contractual relations and ensuring performance of the contract at the request of the data subject (party to the contract),
- 2/ Based on requirements of Article 6, Paragraph 1 c) of GDPR, for compliance with a legal obligation to which the controller (LDZ) is subject, namely, to examine its cooperation partners in accordance with the Law on International Sanctions and National Sanctions of the Republic of Latvia and the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing,

3/ Based on requirements of Article 6, Paragraph 1 e) of GDPR, for the performance of a task carried out in the public interest, namely, for the prevention of terrorism and reducing the risk of fraud.

² Within the meaning of Section 1, Paragraph 5) of the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing.

³ Or an electronic signature.