Translation of the document
“Regulations of the Electronic Auction (ID No. REAL 2026/15) for the Sale of Scrap Metal”

1. General Provisions

1.1. The Auction Regulations (hereinafter – the Regulations) determine the procedure for organizing an auction (hereinafter – the Auction) of black scrap metal unsuitable for commercial use, owned by the limited liability company LDZ CARGO, registration No. 40003788421, legal address Dzirnavu street 147 k-1, Riga, LV-1050, Latvia (hereinafter – the Seller).

1.2. Type of sale – electronic auction with an ascending step (ascending-price 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. Start of the Auction **- August 6, 2026, at 13:00**. The bidding period for the first lot (Lot No. 1) closes on **August 6, 2026**, at 14:00. The end of the bidding period for each subsequent consecutive lot is set at a 10 (ten) minute interval after the closing of the previous lot.

1.6. The Seller shall not compensate Auction participants for any expenses and/or losses incurred in connection with preparing for and participating in the Auction.

1.7. Personal data of natural persons included in 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, repealing Directive 95/46/EC (General Data Protection Regulation), and the first paragraph of Section 25 of the Personal Data Processing Law.

2. Information on Movable Property

2.1. The Seller is selling 1,070 metric tons of scrap metal (hereinafter referred to as “Scrap Metal”) at the Auction, including:
   - 2.1.1. 150 metric tons of 3A-DZ-grade scrap metal;
   - 2.1.2. 850 metric tons of 5A non-standard scrap metal;
   - 2.1.3. 50 metric tons of 16A category steel turnings/shavings;
   - 2.1.4. 20 metric tons of 12A category light steel scrap.

2.2. The technical specification of the Scrap Metal (information on the composition, location and removal conditions of the Scrap Metal) is set forth in Annex 1 to the Regulations.

2.3. The weight of the Scrap Metal was determined using mathematical calculations and estimates. There is a high probability that, during the removal of the Scrap Metal and after accurate weighing, the weight may vary within +/-20%.

2.4. Collection and weighing of the Scrap Metal shall be carried out at the expense of the Scrap Metal buyer, using scales certified in accordance with the procedure prescribed by regulatory enactments.

2.5. The Scrap Metal must be removed from its location within **60 (sixty) calendar days** after conclusion of the purchase agreement. Removal shall take place according to a mutually agreed removal schedule. If necessary, the Seller and the buyer may agree to extend the removal period, provided that from the 61st (sixty-first) day the buyer begins paying the Seller the fee for storage of the Scrap Metal specified in the purchase agreement.

2.6. All expenses related to further transportation of the Scrap Metal from the delivery location shall be borne by the buyer.

3. Auction Starting Price and Bid Increment

3.1. The Scrap Metal is sold in **5 (five) lots**.

3.2. The Auction starting price and bid increment are as follows:

Lot No.	Name	Planned quantity, t	Auction starting price per 1 ton, EUR excl. VAT	Bid increment per 1 ton, EUR
1.	3A-DZ grade scrap metal	150	290	1
2.	5A non-standard scrap metal	420	285	1
3.	5A oversized scrap metal	430	285	1
4.	16A category steel turnings/shavings	50	205	1
5.	12A category light steel scrap	20	255	1

3.3. The bidding unit is the price per one ton of Scrap Metal. The right to conclude an agreement for the purchase of a lot shall be acquired by the Auction participant who is the first to bid the highest price per ton.

3.4. A participant may submit a bid for one or several Auction lots.

3.5. 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.

3.6. If the purchase agreement is concluded with a buyer registered outside the EU and value added tax has been paid, it shall be refunded within 5 (five) business days from the date on which the Seller receives documents confirming the removal of the Scrap Metal from the territory of the European Union (SMGS railway consignment note and/or international road consignment note CMR, export customs declaration or other documents clearly confirming the removal of the Scrap Metal from the EU territory).

3.7. If the purchase agreement is concluded with a buyer registered in another EU Member State and value added tax has been paid, it shall be refunded within 5 (five) business days from the date on which the Seller receives documents clearly confirming the removal of the Scrap Metal from the territory of the Republic of Latvia and its receipt in another EU Member State (international road consignment note CMR, railway consignment note or other goods transport and receipt documents).

4. Announcement of the Auction

4.1. The Seller shall publish information on 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 Security Deposit

5.1. For participation in the Auction, an Auction security deposit of **EUR 10,000** (ten thousand *euro*) is set, regardless of the number of lots in which the participant participates (hereinafter – the security deposit). The security deposit paid by the Auction winner shall be refunded after conclusion of the purchase agreement and full payment of the purchase price for the Scrap Metal. The security deposit shall be refunded to the other Auction participants within 10 (ten) business days after the Auction closing date, unless any of the cases referred to in Clause 5.3 of the Regulations occurs.

5.2. By the date specified in Clause 6.5 of the Regulations, the security deposit must be paid and received in the Seller's current account No. LV08RIKO0000082999854, AS Luminor Bank, SWIFT code RIKOLV2X, indicating the following payment purpose in the payment document: *"Security deposit for scrap metal sale auction No. REAL 2026/15".*

5.3. The security deposit shall not be refunded:

5.3.1. to any participant registered for the Auction if, during the Auction, none of the Auction participants or the sole Auction participant bids even the Auction starting price for any of the Auction lots;

5.3.2. to the Auction winner if they refuse to conclude the purchase agreement within the term set by the Seller.

6. Auction Participants

6.1. A legal entity registered in the European Union or a third country (excluding the Russian Federation and the Republic of Belarus) may participate in the auction:

6.1.1. with an appropriate field of economic activity (NACE code of the company's type of activity), for example: wholesale of waste and scrap, recycling of sorted materials, etc.;

6.1.2. holding valid permits and/or licenses issued in accordance with regulatory acts governing the waste management sector (including Cabinet of Ministers Regulation No. 960 of December 13, 2011, "Regulations on the Procedure for Purchasing and Selling Ferrous and Non-Ferrous Metal Scrap and Waste and for Issuing Licenses for the Purchase of Metal Scrap and Waste in Latvia, as well as on the State fee rate for a license to purchase metal scrap and waste and the procedure for paying the State fee," Cabinet of Ministers Regulation No. 703 of September 13, 2011, "Regulations on the Procedure for Issuing and Revoking Waste Management Permits, the procedure for the registration of waste dealers and waste management intermediaries and for the provision of information, as well as on the state fee and the procedure for its payment," etc.) or, in cases where the Auction Participant is registered outside the Republic of Latvia, valid permits and/or licenses issued by a competent authority in the country where the applicant is registered, in accordance with the regulatory acts governing the field of waste management.

6.2. The Commission Secretary shall not authorize any Auction participant who meets any of the following conditions:

6.2.1. Insolvency proceedings have been initiated against the Auction Participant, its business operations have been suspended or terminated, or it is being liquidated;

6.2.2. International or national sanctions have been imposed on the Auction Participant or its affiliated persons (including the owner, beneficial owner, member of the board of directors or supervisory board, or authorized representative) are subject to international or national sanctions, or to sanctions imposed by a member state of the European Union or the North Atlantic Treaty Organization that significantly affect financial and capital market interests.

6.3. The Commission Secretary has the right to refuse to authorize a participant in the Auction if any of the following conditions apply:

6.3.1. In Latvia or in the country where the Auction participant is registered or where their permanent residence is located, the participant has tax debts (including debts for mandatory state social insurance contributions) that, in total, exceed 150 euros in any of those countries;

6.3.2. As of the Auction registration date, the Auction Participant has outstanding debt obligations to the Seller.

6.4. 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), pay the security deposit and send the documents referred to in Clause 6.5 of the Regulations to the Commission Secretary by e-mail (specified in Clause 10.1.2). After verification of the documents, the Commission Secretary shall authorize the Auction participant, who will then be able to register for the Auction.

6.5. Persons wishing to be authorized for participation in the Auction must send the following documents to the Commission Secretary by e-mail by **5 August 2026 at 12:00**:

6.5.1. For legal entities registered in the Republic of Latvia:

6.5.1.1. a power of attorney to represent the legal entity in the Auction (signed with a secure electronic signature), 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 as having separate representation rights;

6.5.1.2. copies of all permits (licenses) allowing the participant to sell, store, purchase, manage, etc. scrap metal;

6.5.1.3. the business partner identification form for legal entities, in accordance with Annex 3 to the Regulations (signed with a secure electronic signature);

6.5.1.4. a document confirming payment of the security deposit.

6.5.2. For legal entities registered in another country:

6.5.2.1. a copy of the registration certificate;

6.5.2.2. the articles of association and/or a decision of the founder (participants/shareholders) on the appointment of members of the executive body of the legal entity with separate representation rights;

6.5.2.3. copies of all permits (licenses) allowing the participant to sell, store, purchase, etc. scrap metal;

6.5.2.4. a statement issued by a competent authority in the country where the applicant is registered, confirming that the applicant has no tax debts in that country (including mandatory state social insurance contribution debts) exceeding EUR 150 in total;

6.5.2.5. a power of attorney to represent the legal entity, if the legal entity is not represented by a member of its executive body with separate representation rights (signed in PDF format with a secure electronic signature, indicating the website where the authenticity of the signature can be verified);

6.5.2.6. the business partner identification form for legal entities, 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);

6.5.2.7. a document confirming payment of the Auction security deposit.

6.6. The documents referred to in Clauses 6.5.2.1–6.5.2.7 of the Regulations must be accompanied by a translation into Latvian or English.

6.7. The Commission Secretary is entitled not to authorize an applicant for participation in the Auction if any of the documents referred to in Clause 6.5 of the Regulations has not been submitted and/or if the submitted document does not comply with the requirements of Clauses 6.5 and 6.6 of the Regulations.

6.8. After reviewing the documents submitted by the applicants, the Commission Secretary shall authorize the Auction participant using the EAW or inform the applicant of the refusal of authorization. Information on the authorization result shall be sent to the applicant's e-mail address indicated in the EAW.

6.9. After the Auction has taken place, the Commission Secretary shall remove the authorization status from all Auction participants.

7. Auction Procedure

7.1. The bidding period for Lot 1 is 1 (one) hour from the start time specified in Clause 1.5 of the Regulations. The bidding period for each subsequent lot closes at 10 (ten) minute intervals after the closing of the previous lot.

7.2. The Auction bidding time in the EAW is automatically extended to 15 (fifteen) minutes from the time of the last bid if bidders continue to submit bids within 15 (fifteen) minutes before the end of the Auction, until the last bidder places their bid. The extension of the closing time of one lot due to last-minute bids does not affect or postpone the bidding closing times of the subsequent lots.

7.3. After the Auction has ended, the EAW displays the bidding time and the highest bid price. The Auction time shall be extended until 13:00 on the next business day if, due to disruptions in the operation of the EAW, bidding was not possible during the last 10 (ten) minutes before the closing of the Auction.

7.4. After the Auction has ended, the Commission Secretary prepares a protocol on the Auction result, attaching the data received from the EAW on the Auction increments and bidders. The protocol is approved by the Commission.
7.5. If the bidder who was the first to bid a higher price (hereinafter – the Successful Bidder) refuses to conclude the purchase agreement, the Seller is entitled to invite the Auction participant who was outbid by the Successful Bidder to purchase the Scrap Metal.
7.6. The Auction shall be deemed not to have taken place if:
   7.6.1. no participant has registered for the Auction;
   7.6.2. no registered participant bids the Auction starting price;
   7.6.3. information is received regarding significant legal or technical defects of the Auction object that were not known before the start of the Auction and that could affect potential participants' ability to make an informed decision on participation in the Auction;
   7.6.4. international or national sanctions, or sanctions imposed by a Member State of the European Union or the North Atlantic Treaty Organisation affecting significant financial and capital market interests, have been imposed on the Successful Bidder or related persons thereof;
   7.6.5. the Seller's Management Board does not approve the Auction results;
   7.6.6. during the Auction or within 24 (twenty-four) hours after the closing of the Auction, a notification is received regarding significant EAW disruptions that may affect the Auction results or regarding breaches of the EAW security system.

8. Submission of Complaints, Approval of Auction Results and Conclusion of the Agreement

8.1. Auction participants are entitled to submit a written complaint to the Commission regarding the organization of the Auction. The Commission shall provide a written response within 3 (three) business days from the date of receipt of the complaint.
8.2. No later than within 10 (ten) business days after the closing of the Auction, the Commission shall submit the Auction protocol to the Seller's Management Board for approval.
8.3. Only after the Auction results have been approved by the Seller's Management Board shall the Successful Bidder or the Auction participant referred to in Clause 8.6 of the Regulations acquire the right to purchase the Scrap Metal. The Auction protocol approved by the Seller's Management Board shall serve as the basis for preparing and signing the Scrap Metal purchase agreement.
8.4. The Seller shall inform the Successful Bidder of the decision adopted by the Seller's Management Board, send the draft agreement and invite them to conclude the Scrap Metal purchase agreement within 5 (five) business days.
8.5. If the purchase agreement has not been signed within 10 (ten) business days from the date of sending the draft agreement, the Seller shall be entitled to consider that the Successful Bidder has refused to purchase the Scrap Metal.
8.6. In the case referred to in Clause 8.5 of the Regulations, the Commission shall invite the next highest bidder to conclude the Scrap Metal purchase agreement at the price offered by that bidder in the Auction. If this Auction participant agrees, the Commission shall prepare a protocol stating the above circumstances and submit this protocol to the Seller's Management Board for approval. If the Commission protocol is approved by the Management Board, the Scrap Metal purchase agreement shall be concluded with the Auction participant indicated in the Management Board's decision.

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

9.1. After signing the purchase agreement, the Seller shall, in accordance with the terms of the purchase agreement, issue consignment notes to the Buyer for the acquisition of the Scrap Metal, which the Buyer shall pay in full.
9.2. The Auction security deposit paid by the Buyer shall remain at the Seller's disposal until full payment of the consignment notes for the acquisition of the Scrap Metal has been made.

10. Seller's Contact Persons

10.1. The Seller's contact persons are:

10.1.1. on technical matters – **A. Loss**, telephone: (+371) 27076632, e-mail: Aleksejs.Loss@ldz.lv;

10.1.2. Commission Secretary – **I. Stendzeniece**, telephone: (+371) 25719192, e-mail: iepirkumi.cargo@ldz.lv

Attached:

Annex 1 – Technical Specification of the Scrap Metal;

Annex 2 – Draft Agreement;

Annex 3 – Cooperation Partner's Identification Form for Legal Entities.

Annex 1

Technical Specification of the Scrap Metal

Name		Quantity, tons, (+/-20%)	Condition	Transportation conditions	Location
1. 3A-DZ grade scrap metal, incl.:		**150**			
1.1.	Wheel set housing assemblies, wheel set bearings, single-piece wheels	150	Loaded in wagons, partly located on the ground	The Buyer may remove the Scrap Metal in the existing wagon or reload the Scrap Metal onto road transport; Scrap Metal located on the ground shall be loaded by the Buyer at its own expense onto road transport or into a wagon and removed from the Seller's territory using the Buyer's own transport.*	VRC Daugavpils, Varšavas iela - 49
2. 5A non-standard scrap metal, incl.:		**850**			
2.1.	Bogie side frames, bolster beams, wheelsets with axle box housings	420	Loaded in wagons	The Buyer may remove the Scrap Metal in the existing wagon or reload the Scrap Metal onto road transport;	VRC Daugavpils, Varšavas iela - 49
2.2.	Bogie side frames, bolster beams, wheelsets with axle box housings	430	Loaded in wagons, partly located on the ground	The Buyer may remove the Scrap Metal in the existing wagon or reload the Scrap Metal onto road transport; Scrap Metal located on the ground shall be loaded by the Buyer at its own expense onto road transport or into a wagon and removed from the Seller's territory using the Buyer's own transport.*	VRC Daugavpils, Varšavas iela - 49
3. 16A category steel turnings/shavings, incl.:		**50**			
3.1	Steel turnings/shavings 16A	50	Loaded in a wagon	The Buyer may remove the Scrap Metal in the existing wagon or reload the Scrap Metal onto road transport.*	VRC Daugavpils, Varšavas iela - 49
4. 12A category light steel scrap, incl.:		**20**			
4.1	Light steel scrap 12A	20	Loaded in a wagon	The Buyer may remove the Scrap Metal in the existing wagon or reload the Scrap Metal onto road transport.*	VRC Daugavpils, Varšavas iela - 49

* The Buyer may use the Seller's equipment for loading/reloading works, and the Seller also owns railway freight wagons that the Buyer may use by separate agreement with the Seller. If the Buyer uses the Seller's freight wagons and equipment, the Buyer undertakes to pay all costs related to the provision of this service.

Annex 2

DRAFT
Riga, __________ 2026

or *the date of the Agreement shall be the date of the last added secure electronic signature and time stamp*

AGREEMENT No. ___________

Limited Liability Company "LDZ CARGO", registration No. 40003788421 (hereinafter – the Seller), represented on the basis of Power of Attorney No. K-7.1/37-2026 of 15 June 2026 by Chairman of the Management Board Raimonds Freimanis and Management Board Member __________________, of the one part, and __________________________________, registration No. _____ (hereinafter – the Buyer), represented by ______________, acting on the basis of _____________, of the other part, both jointly referred to as the Parties, enter into the following purchase agreement (hereinafter – the Agreement):

1. Subject Matter of the Agreement

1.1. In accordance with the procedure set out in this Agreement, the Seller sells and transfers to the Buyer, and the Buyer purchases and accepts from the Seller **ferrous metal scrap** (hereinafter – the Scrap Metal), at the price determined in the auction organised by the Seller on _______ 2026 ____________ (held on the electronic auction website http://auctioncargo.ldz.lv), in accordance with the technical specification of the Scrap Metal (Annex 1).

1.2. The actual weight of the Scrap Metal to be sold shall be determined by weighing it in accordance with the procedure provided for in the Agreement, and the weight of the Scrap Metal may differ from the quantity specified in the Agreement within a range of 20% (plus or minus twenty percent).

2. Purchase Price

2.1. According to the results of the Scrap Metal auction organized by the Seller on _______ 2026, the price of the Scrap Metal per ton is set at EUR ______ (______ *euro*, 00 cents), excluding value added tax (hereinafter – VAT). The price per tonne of Scrap Metal specified in this clause is final and shall not be changed.

2.2. The planned total amount of the Agreement is EUR ______ (______ *euro*, 00 cents), excluding VAT. VAT shall not be calculated or paid on the transaction in accordance with Section 143 of the Value Added Tax Law (special tax application regime for the supply of scrap metal and related services – reverse charge VAT procedure) *(this clause shall be specified depending on the Buyer's country of registration). The actual amount of the Agreement shall be recorded in the goods consignment notes and determined according to the quantity of Scrap Metal weighed in accordance with the procedure set out in the Agreement and the price of the Scrap Metal (Clause 2.1 of the Agreement).*

2.3. The Buyer has paid the Seller an auction security deposit in the amount of EUR ______ (______ *euro*, 00 cents), which shall remain at the Seller's disposal and shall be refunded to the Buyer after full payment of all Scrap Metal consignment notes has been made.

3. Payment Terms

3.1. The Buyer undertakes to pay for the Scrap Metal within **5 (five) business days** from the date of issue of the consignment note. The payment term shall start on the day following the date of issue of the goods consignment note. The purchase price shall be deemed received on the day it is credited to the bank account specified by the Seller.

3.2. If the payment term specified in Clause 3.1 of the Agreement is not observed, the Seller is entitled to calculate a contractual penalty to the Buyer in the amount of 0.1% (zero point one percent) of the amount not paid on time for each day of delay, but not more than 10% (ten percent) of the amount not paid on time, excluding VAT.

3.3. Ownership rights to the Scrap Metal shall transfer to the Buyer after full payment of the amount indicated in the consignment note.

3.4. Payment of the contractual penalty shall not release the Buyer from the obligation to compensate losses and perform the Agreement.

4. Procedure for Sale of the Scrap Metal

4.1. The Seller authorizes the employee responsible for the transaction, **Aleksejs Loss** (tel. +371 27076632, e-mail: aleksejs.loss@ldz.lv), or the person performing his duties, to sign the consignment notes for the sale of the Scrap Metal and the acceptance-transfer acts of the Scrap Metal on behalf of the Seller.

4.2. The employee responsible for the transaction shall agree on a specific time for acceptance and transfer of the Scrap Metal no later than 1 (one) business day before the transfer of the Scrap Metal.

4.3. The Parties agree that the Buyer shall accept the Scrap Metal at the following address: ___________________________.

4.4. The weighing of the Scrap Metal, including its transportation for weighing, and loading onto a vehicle shall be ensured by the Buyer at its own expense.

4.5. The Buyer shall, at its own expense, provide a vehicle for transporting the Scrap Metal to its warehouse or another location selected by the Buyer.

4.6. If there are no scales at the location of the Scrap Metal specified in Clause 4.3 of the Agreement, the Scrap Metal shall be transported for weighing to the railway station scales (if loaded in a wagon) or to the Buyer's scales at the Scrap Metal acceptance location in Daugavpils, in the presence of the Seller's employee responsible for the transaction. After weighing, the Buyer and the Seller's employee responsible for the transaction shall immediately sign an acceptance-transfer act, indicating the net weight of the Scrap Metal sold therein.

4.7. After the Scrap Metal has been weighed, the Seller shall immediately issue a goods consignment note. The Buyer's representative is obliged to sign it immediately, indicating their position, printed name and confirming their authorization with the Buyer's seal imprint (if applicable).

4.8. The date of acceptance of the Scrap Metal shall be deemed to be the day on which it is loaded onto a vehicle for delivery to the Buyer's warehouse or another location selected by the Buyer.

4.9. The Buyer undertakes to remove the Scrap Metal from the Seller's territory (Clause 4.3 of the Agreement) within **60 (sixty) calendar days** from the date of mutual signing of the Agreement. Removal shall take place according to a mutually agreed removal schedule. If necessary, the Parties may agree in writing to extend the removal period, provided that from the 61st (sixty-first) day the Buyer begins paying the Seller the Scrap Metal storage fee specified in Clause 4.10 of the Agreement.

4.10. If the Buyer fails to remove the Scrap Metal from the Seller's territory (Clause 4.3 of the Agreement) within 60 (sixty) days from the date of signing this Agreement, the Scrap Metal shall be deemed to have been transferred into storage with the Seller and, from the 61st (sixty-first) day, the Buyer undertakes to pay the Seller a Scrap Metal storage fee of EUR 12 (twelve *euro*) plus VAT for each twenty-four-hour period.

5. Representations and Liability

5.1. The Seller represents that the Scrap Metal being sold has arisen as a result of the Seller's economic activity and is the Seller's property.

5.2. The Buyer undertakes to pay the purchase price within the term and in accordance with the procedure set out in the Agreement.

5.3. All risks of accidental destruction, damage, theft or loss of the Scrap Metal shall transfer from the Seller to the Buyer from the moment the Scrap Metal is loaded onto a vehicle for delivery to the Buyer's warehouse or another location selected by the Buyer.

5.4. While present on the Seller's territory (Clause 4.3 of the Agreement), the Buyer undertakes to strictly comply with occupational safety, fire safety, environmental protection and other applicable safety regulations.

5.5. The Buyer represents and warrants that:

5.5.1. it complies with the laws and regulations, resolutions and decisions of the Republic of Latvia, the European Union, the United Nations and the United States of America (including OFAC) establishing the application of international or national sanctions and other restrictions;

5.5.2. it will not enter into business relations with, and will immediately terminate and not maintain such relations with, persons subject to the sanctions referred to in Clause 5.5.1 of the Agreement;

5.5.3. upon the Seller's first written request, it will submit to the Seller, within the term and scope specified in the Agreement or in the request, all necessary information and documents confirming compliance with sanctions requirements.

5.6. The Buyer acknowledges and agrees that, in the event of a breach of the representations or warranties referred to in Clause 5.5 of the Agreement:

5.6.1. the Seller is entitled to suspend the performance of its obligations under the Agreement, as well as to unilaterally withdraw from the Agreement or terminate it immediately without paying any damages or compensation to the Buyer;

5.6.2. the Buyer shall be fully liable for any direct and indirect losses caused to the Seller as a result of such breach and undertakes to compensate them in full.

6. Dispute Resolution

6.1. The obligations of the Parties arising from the Agreement shall be governed by the regulatory enactments of the Republic of Latvia.

6.2. All disputes and disagreements that may arise from or in connection with the Agreement shall be resolved by the Parties through mutual negotiations.

6.3. Each Party is entitled to send a written claim to the other Party in accordance with the procedure set out in Clause 12.4 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 their receipt.

6.4. If the Parties cannot agree on resolving a dispute through negotiations within 1 (one) month from the moment the dispute arises, the dispute shall be resolved by a court of the Republic of Latvia in accordance with the procedure prescribed by the regulatory enactments of the Republic of Latvia.

7. Term and Termination of the Agreement

7.1. The Agreement shall enter into force on the date of mutual signing thereof and shall remain in force until **31 December 2026**. With respect to the Parties' outstanding obligations, claims for compensation of losses and payment of contractual penalties, the Agreement shall remain in force until the Parties have fully and duly performed the obligations arising from the Agreement.

7.2. The Agreement may be terminated by mutual written agreement of the Parties.

7.3. The Seller is entitled to terminate the Agreement immediately and unilaterally by notifying the Buyer thereof in writing in any of the following cases:

7.3.1. if insolvency proceedings have been declared in respect of 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 34.1 of the law "On Taxes and Duties";

7.3.2. if the Agreement cannot be performed because international or national sanctions, or sanctions imposed by a Member State of the European Union or the North Atlantic Treaty Organisation affecting significant financial and capital market interests, have been imposed on the Buyer;

7.4. The Seller is entitled to terminate the Agreement unilaterally by notifying the Buyer thereof in writing 10 (ten) calendar days in advance if the Buyer fails to perform or improperly performs the obligations set out in the Agreement and fails to remedy the breach within the term specified in the Seller's written notice of breach of the Agreement (except in the case specified in Clause 7.3 of the Agreement, where the Seller is entitled to terminate the Agreement immediately).

7.5. If the Agreement is terminated in accordance with the provisions of Clause 7.3 of the Agreement, the Seller shall send the Buyer written notice thereof in accordance with the procedure set out in Clause 12.4 of the Agreement, and the Agreement shall terminate immediately.

8. Confidentiality

8.1. The terms of the Agreement, as well as information related to the cooperation between the Parties or obtained by the Parties as a result of performance of the Agreement, shall be considered the Parties' trade secret and shall not be disclosed to third parties during the term of the Agreement or thereafter without the prior written consent of the other Party. 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 regulatory enactments, if such information is provided to those authorities.

8.2. The Party receiving information containing the other Party's trade secret undertakes to use it solely for the purpose specified in Clause 1.1 of the Agreement, observing the commercial interests of the Parties and this confidentiality obligation.

8.3. Without the Seller's prior consent, the Buyer is not entitled to process information received from the Seller within the framework of performance of the Agreement by 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 conduct shall be considered unauthorised disclosure of information to third parties and a breach of the Agreement.

9. Personal Data Protection

9.1. The Parties confirm that they have been informed that personal data submitted by one Party, where necessary for the performance of the Agreement, may be processed only in accordance with the subject matter of the Agreement, within the scope specified in the Agreement, for the term of the Agreement and only in accordance with the requirements of applicable legal acts.

9.2. The Parties shall ensure that the employees indicated as contact persons in this Agreement are informed about the right to transfer their contact information within the framework of employment relationships and for the performance of their official duties, as well as about the rights of employees as data subjects in accordance with applicable legal and regulatory acts in the field of personal data protection.

9.3. The Parties undertake to ensure a level of protection for personal data submitted by the other Party that complies with applicable legal acts.

9.4. The Parties undertake not to transfer personal data submitted by the other Party to third parties. If such an obligation may arise for the Parties under applicable legal acts, they shall inform the other Party before transferring personal data, unless prohibited by applicable legal acts.

9.5. Each Party shall be independently liable towards the data subject for non-compliance with personal data protection and processing Regulations and, if the liability of a Party is established, that Party shall satisfy the data subject's claims in relation to the personal data breach and its rectification, as well as pay administrative fines related to the personal data breach and compensate the amounts of damages awarded by a court judgment.

9.6. The Parties undertake to destroy personal data submitted by the other Party as soon as the need to process such data ceases.

10. Business Ethics

10.1. By signing the Agreement, the Buyer confirms that it has read the *Basic Principles of Business Ethics 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 to strictly observe them itself and to ensure that they are also observed by its employees and subcontractors involved in the performance of the Agreement.

10.2. The Buyer is obliged to immediately inform the Seller if a situation is identified in which any of the *Basic Principles* has been violated, 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 violated any of the *Basic Principles*, further cooperation shall be assessed in accordance with the procedure and scope prescribed by the laws of the Republic of Latvia.

10.3. If, during the performance of the Agreement, the Buyer obtains information or has reasonable suspicion that an employee of the Seller, personally or through an intermediary, requests, accepts or offers any material values, property benefits or other advantages to any person in order to secure the adoption of an unlawful decision, obtain unlawful benefits or advantages, or achieve another improper personal objective in the interests of the Seller, the Seller's employee or any other person, the Buyer shall immediately inform the Security Directorate of the holding company of the "Latvijas dzelzceļš" Group using the reporting options on the Group's website at http://www.ldz.lv. The notification must include information, facts or materials that credibly indicate such actions or provide reasonable grounds for suspicion thereof. "Latvijas dzelzceļš" guarantees that the information will be assessed 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.

11. Force Majeure

11.1. If either Party is wholly or partially unable to perform its obligations under this Agreement due to the following circumstances – fire, natural disaster, war, blockades, prohibition on exporting or importing goods, and similar circumstances – the deadlines for performance of the obligations under the Agreement shall be extended accordingly for the duration of such circumstances.

11.2. The Party for whom performance of the obligations under the Agreement has become impossible shall notify the other Party in writing of the commencement and end of the above circumstances, submitting the relevant evidence, no later than within 5 (five) business days.

11.3. If, due to force majeure circumstances, performance of the Agreement is impossible for more than 30 (thirty) days, either Party shall have the right to terminate the Agreement unilaterally. If the Agreement is terminated in this manner, neither Party shall be entitled to claim compensation for losses from the other Party.

12. Other Provisions

12.1. Any amendments and supplements 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.

12.2. The Buyer is not entitled, without the Seller's written consent, to assign in whole or in part the rights and obligations set out in this Agreement to third parties.

12.3. The Parties shall immediately inform each other in writing of any changes in their details by a letter signed by the relevant Party's person with representation rights (authorized signatory) in the company.

12.4. 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:

12.4.1. submitted in person or delivered by courier or delivery service provider – on the actual delivery date, as confirmed by the other Party's acknowledgement of receipt of the document;

12.4.2. sent by registered mail to the other Party's legal address – on the seventh day after the date indicated in the postal institution's stamp confirming acceptance of the registered item for sending;

12.4.3. sent to the other Party's e-mail address specified in the Agreement details – on the second business day.

12.5. In the cases referred to in Clause 12.4 of the Agreement, if documents are submitted as described above on a day that is not a business day or after normal business hours, they shall be deemed received on the next business day. For the purposes of this Agreement, a business day is a day from Monday to Friday, except where the relevant day is a holiday or public holiday under the regulatory enactments of the Republic of Latvia.

12.6. Reorganization of the Parties or a change of their managers shall not constitute grounds for termination of the Agreement. In any case, and if either Party is reorganized or liquidated, the Agreement shall remain in force and its provisions shall be binding on the legal successor of that Party.

12.7. Matters not regulated in this Agreement shall be resolved by the Parties in accordance with the regulatory enactments in force in the Republic of Latvia.

12.8. The Agreement has been prepared in Latvian (with an English translation, if necessary) in the form of 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 shall be the date of the last added secure electronic signature and its time stamp.

12.9. On the date of signing, Annex 1, which is an integral part of the Agreement – "Technical Specification of the Scrap Metal" on __ pages – shall be attached to the Agreement.

13. Parties' Details and Signatures

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 Contact details: Telephone: ____________ e-mail: _______________ R. Freimanis __________________ ____________________________	**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: ___________ Contact details: Telephone: ____________ e-mail: _______________ /……./________________________

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

Annex 1
to Agreement No. CAR - __________

Technical Specification of the Scrap Metal

No.	**Name**	**Quantity,** tons (+/- 20%)	**Price,** EUR excluding VAT	**Address of the Scrap Metal location**

Annex 3

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.