

Regulations
for Auction of the Right of Superficies pertaining to the Real Estate in Zilā Street
in Riga Possessed by the Freeport of Riga Authority

1. General provisions

1. The Regulations for the Auction of Right of Superficies (hereinafter - the Regulations) in regards of the immovable property in the possession of the Freeport of Riga Authority (hereinafter - the Authority) located at 25 Zila Street, Riga shall determine the procedures by which the Authority shall organize an oral auction with an ascending step with the selection of applicants (hereinafter - the Auction) on the right of superficies pertaining to the land units with cadastral designation 0100 097 0145 and 0100 097 0143 at 25 Zila Street, Riga (hereinafter - the Item/s).
2. Information on the Items subject to the right of superficies:
 - 2.1. **Item No.1** – part of the land unit with cadastral designation 0100 097 0143 with an approximate area of 4.61 ha (46100 m²). The building plot area will be specified after the land survey performed by a certified surveyor and registration of the right of superficies border plan;
 - 2.2. **Item No. 2** - part of the land unit with cadastral designation 0100 097 0143 with an approximate area of 4.45 ha (44 500 m²). The building plot area will be specified after the land survey performed by a certified surveyor and registration of the right of superficies border plan;
 - 2.3. **Item No. 3** - part of the land unit with cadastral designation 0100 097 0143 with an approximate area of 5.17 ha (51700 m²). The building plot area will be specified after the land survey performed by a certified surveyor and registration of the right of superficies border plan;
 - 2.4. **Item No. 4** - the part of land unit with cadastral designation 0100 097 0145 and 0100 097 0143 with an approximate area of 5.18 ha (51, 800 m²). The building

plot area will be specified after the land survey performed by a certified surveyor and registration of the right of superficies border plan.

3. The owner of the Items and the relevant encumbrances:
 - 3.1. The ownership rights to the land unit with cadastre designation 0100 097 0143 are vested in the State of Latvia in the person of the Ministry of Transport in the Riga City Land Register section No. 100000524986.
 - 3.2. The ownership rights to the land unit with cadastre designation 0100 097 0145 are vested in the Riga City Municipality in the Riga City Land Register section No. 9523.
 - 3.3. Encumbrances are indicated in the Riga City Land Register section No. 100000524986 and 9523.
4. Brief description of the condition of **Items No.1, No.2, No.3 and No.4**: Land with a sandy surface layer
5. The right of superficies pertaining to the Items shall be provided for the following conditions of further use: commercial activities related to the port functions. The right of superficies term shall be 35 years. The right to receive information about the Items, as well as to perform an inspection of the Items in nature at the time and in accordance with the procedures shall be indicated in the notice published in the official publication “Latvijas Vēstnesis”.
6. A person who wishes to participate in the Auction (hereinafter - the Auction Applicant) shall meet the following criteria: a commercial company whose founder(s) and participant(s) have a good reputation and stable financial standing¹.
7. For evaluation of the Auction Applicant’s compliance with the applicant selection criteria, the Applicant, applying for participation in the Auction, shall submit a confirmation of the stable financial position and good reputation of the company’s founders and participants, as well as the Operational Program (Business Plan) and the Investment Plan (for five years term), related to the right of superficies Item by drawing up these documents in accordance with the templates provided on the Authority’s website https://rop.lv/sites/default/files/2020-10/Zemes%20noma_0.pdf . A certificate form is provided in the Annex to the Regulations. A certification regarding the stable financial situation and good

¹ Section 18, Paragraph one of the Law on Ports.

reputation of the founders and participants of the commercial company shall not be submitted by the Applicant - a commercial company that is already carrying out commercial activities in the Freeport of Riga in accordance with the Law on Ports and the Freeport of Riga Law.

8. In accordance with the Regulations, the right of superficies holder in regards of each Item shall be determined by open oral auction with an ascending step.
9. The Auction opening fee for the right of superficies shall be 2.17 EUR/m² per year (two euro, 17 cents per square meter per year):
 - 9.1. Pertaining to the **Item No.1** the auction opening annual fee for the right of superficies shall be 100 037,00 EUR (one hundred thousand thirty-seven euros, 00 cents);
 - 9.2. Pertaining to the **Item No.2** the auction opening annual fee for the right of superficies shall be 96 565,00 EUR (ninety-six thousand five hundred and sixty-five euros, 00 cents);
 - 9.3. Pertaining to the **Item No.3** the auction opening annual fee for the right of superficies shall be 112 189,00 EUR (one hundred twelve thousand one hundred eighty-nine euros, 00 cents);
 - 9.4. Pertaining to the **Item No.4** the auction opening annual fee for the right of superficies shall be 112 406,00 EUR (one hundred twelve thousand four hundred and six euros, 00 cents)

In addition, value added tax shall be paid in accordance with the procedures and in the amount specified by laws and regulations.

10. The Auction step:
 - 10.1. For **Item No. 1** – 1 000,00 EUR (one thousand euro, 00 cents);
 - 10.2. For **Item No. 2** – 960,00 EUR (nine hundred and sixty euros, 00 cents);
 - 10.3. For **Item No. 3** – 1 120,00 EUR (one thousand one hundred and twenty euro, 00 cents);
 - 10.4. For **Item No. 4** – 1 120,00 EUR (one thousand one hundred and twenty euros, 00 cents).
11. A security deposit - in the amount of 10 percent of the Auction opening price pertaining to the respective Item.
12. Payment shall be made to:
Beneficiary: Freeport of Riga Authority

VAT reg. No: LV90000512408

Bank: AS Swedbank

Bank account No.LV16HABA0551024614837

Purpose of payment: A security deposit for the auction of the right of superficies pertaining to the Item Nr._ of the real estate on Zila Street, Riga.

13. A person who has submitted an application to the Authority within the term specified in the advertisement, to which the documents specified therein have been attached, and has paid the security deposit specified in the Regulations, has been recognized as a participant and has been issued a registration certificate of the auction participant (hereinafter - Participant) may participate in the Auction. An applicant shall be recognized as a Participant if he/she complies with the requirements of Section 18, Paragraph one of the Law on Ports, and the Operational Program (Business Plan) and Investment Plan, submitted by the said Applicant, comply with the Conditions of further use, specified in Paragraph 5 of the present Regulations and the Freeport of Riga Development Program (https://rop.lv/sites/default/files/2020-09/FIG%C4%AAST%C4%AABAS%20PROGRAMMA_2019-2028_0.pdf).
14. The application form can be downloaded from the website of the Authority www.rop.lv. All documents shall be submitted in Latvian. If the documents are in another language, notarized translations into Latvian shall be attached thereto. In the cases specified by laws and regulations, public documents issued in foreign countries, including copies of documents certified by foreign notaries or certified copies of documents certified by the issuing authority of a foreign state, shall be legalized.
15. The documents to be submitted shall be drawn up in accordance with the Law on the Legal Force of Documents, Cabinet Regulation No. 558 of 4 September 2018, "Procedure for Preparation and Execution of Documents", and the present Regulations, otherwise they shall be considered as not submitted. Submitted documents issued by state authorities or officials shall be issued no earlier than 30 days before the date of document submission. The documents submitted for registration will not be returned to the Applicant and the Participant.

2. The procedure for organizing the Auction

16. The Auction shall be organized by the Auction Commission established by the Authority consisting of four members, including the Auctioneer and the minute taker.
17. The Auction shall take place on the date, at the time and at the venue of the Auction indicated in the announcement published in the official publication “Latvijas Vēstnesis”.
18. The Auction Commission shall register the Participants in the Register of Participants, indicating the following information therein:
 - 18.1. the Item’s right of superficies to be auctioned;
 - 18.2. a Participant’s sequential registration number and date;
 - 18.3. the name and surname of the Participant, or the name and registration number of the Participant, the name and surname of the authorized person of the Participant;
 - 18.4. a Participant's address;
 - 18.5. time and place of the Auction.
19. The entries in the Register shall be certified by a member of the Auction Commission with his / her signature, indicating the transcript of the signature.
20. The Auction Commission shall issue the Participant's registration certificate to the registered Participant, in which the following information shall be entered:
 - 20.1. The Participant's registration number;
 - 20.2. Full name and registration number of the Participant – legal entity.
 - 20.3. the name of the authorised person;
 - 20.4. the amount of the security deposit paid;
 - 20.5. the rights of superficies pertaining to the Item to be auctioned;
 - 20.6. the place and time of the Auction;
 - 20.7. the place and date of issue of the certificate.
21. The Participant's registration certificate shall be signed by a member of the Auction Commission, indicating the transcript of the signature.
22. The numbers of the Participant's registration certificates shall be assigned in the order in which the applicants have submitted the documents specified in the Regulations to the Authority.
23. The Authority and the Auction Commission may not disclose the number of Participants or any information about the Participants until the start of the Auction.

3. Conduct of the Auction

24. On the day of the Auction, upon entering the Auction premises, a Participant shall present the Participant's registration certificate to the Auction minute taker.
25. The Auction minute taker shall verify the identity of the Participant or his / her authorized person on the basis of personal identification documents (passports, identification cards) and issue a Participant's bidding card with a number. The sequence of the Participant's bidding card numbers shall correspond to the sequence of the Participant's registration certificate numbers.
26. Filming and photography during the Auction shall be prohibited.
27. The Auction shall be led by the Auctioneer and the entire course of the Auction shall be recorded by the Auction minute taker.
28. The Auction shall be opened by the Auctioneer, who shall verify that all the Participants have arrived.
29. If the Auctioneer determines that one of the registered Participants has not arrived at the Auction, then the Auctioneer shall postpone the start of the Auction for 15 (fifteen) minutes, notifying the Participants present, and making an appropriate entry in the Auction minutes. After 15 (fifteen) minutes, the Auctioneer shall start the auction, regardless of whether all registered Participants have arrived.
30. If a Participant informs the Auction Commission about unforeseen circumstances due to which the Auction Commission is requested to postpone the start of the Auction for a longer period of time, the Auctioneer shall decide to postpone the start of the auction, but not for more than one hour.
31. A Participant who has not attended the Auction shall be deemed to have withdrawn from the Auction.
32. At the beginning of the Auction, the Auctioneer shall announce the composition of the Auction Commission, the right of superficies pertaining to the Item to be auctioned, describe it, name the opening price of the Auction, as well as the Auction step.
33. If after carrying out the actions referred to in Paragraphs 24, 25 and 29 of the present Regulations it is established that only one of several registered Participants has come to the Auction, the Auctioneer shall offer to conclude an agreement on granting the right of superficies pertaining to the Item with this Participant without

bidding. If the Participant confirms the readiness to enter into an agreement granting the right of superficies pertaining to the Item for the Auction's opening price, he/she will become the winner of the Auction. A Participant who does not confirm the readiness to enter into an agreement granting the right of superficies pertaining to the Item for the opening price of the Auction, shall be deemed to have renounced participation in the Auction.

34. At the beginning of the bidding, the Auctioneer shall ask the Participants to confirm their readiness to enter into an agreement granting the right of superficies pertaining to the Item at the opening price of the Auction. A participant who does not confirm his or her readiness to enter into an agreement granting the right of superficies pertaining to the Item at the opening price of the Auction shall be deemed to have refused to participate in the Auction.
35. After receiving the Participants' confirmation of their readiness to enter into an agreement granting the right of superficies pertaining to the Item at the opening price of the Auction, the Auctioneer shall ask Participants if anyone makes a higher bid.
36. If at least two Participants have registered and arrived at the Auction, but none of them makes a bid, then the Participant who was the first to submit the documents specified in the Regulations to the Authority shall be considered the winner of the Auction.
37. Bidding shall take place by only one Auction's step, when making a bid. During the bidding process, the Participant shall raise his/her bidding card with the number, confirming that he/she increases his/her bid in regards of the right of superficies fee by the specified Auction step. The Auctioneer shall announce orally the right of superficies fee bid by the Participant and the Auction minute taker shall record it in the Auction minutes. Every bid shall be binding for the Participant confirming his/her intention to enter into agreement granting the right of superficies pertaining to the Item at the auctioned price.
38. When the bidding price reaches or exceeds twice the starting price of the Auction, the Auction step shall be doubled. When the bidding price reaches or exceeds three times the opening price of the Auction, the Auction step shall be tripled. The Auctioneer shall notify the Participants present of any changes in the amount of

the Auction step, and the Auction minute taker shall make an appropriate entry in the Auction minutes.

39. If several Participants have offered the same price at the same time and it is not visually possible to distinguish who bid first, the Auctioneer shall decide by drawing lots which of these Participants shall be credited with this bid. The draw shall be carried out by preparing such a number of lots that corresponds to the number of Participants bidding at the same time and one of them shall be marked by the Auctioneer with his/her signature. Participants shall draw lots according to their bidding card numbers. A Participant who draws a lot with a signature shall be considered to be the first bidder.
40. When none of the Participants offers a higher price, the Auctioneer shall repeat the last bid price three times, each time confirming it with a hammer. After the third hammer strike, the right of superficies pertaining to the Item shall be granted to the Participant who has bid the last highest price (hereinafter - the Auction Winner).
41. The Auctioneer shall invite the Auction Winner to immediately confirm with his/her signature in the Auction minutes the compliance of the right of superficies fee indicated therein with the bid price.
42. If the Auction Winner does not sign the minutes, it shall be deemed that he or she refuses to enter into an agreement granting the right of superficies pertaining to the Item at the auctioned price, or in the case referred to in Paragraph 33 of the present Regulations - at the opening price of the Auction.
43. If the circumstances referred to in Paragraph 42 of the Regulations occur, the Auctioneer shall declare the Participant who has bid the previous highest price as the Auction Winner.
44. The Auction minutes shall be signed by the Auction Commission and all Participants. After signing the minutes, the Auctioneer shall declare the Auction closed.
45. After signing the Auction minutes, the Auction Winner shall receive an extract from the Auction minutes, which indicates the auctioned price. An extract from the minutes shall be certified by the Auctioneer.
46. If circumstances arise that make the further conduct of the Auction impossible, the Auctioneer may decide to suspend the Auction. The circumstances that caused the

suspension of the Auction shall be recorded in the Auction minutes. In such case, the course of the Auction shall be renewed not later than after 15 (fifteen) business days, within the time specified by the Auction Commission, which shall be notified to the Participants in writing at least 5 (five) business days before the day of renewal of the Auction. Bidding shall be resumed from the last bid, with the Participants remaining bound by the bids prior to the suspension of the Auction.

4. Approval of the Auction results and conclusion of the agreement granting the right of superficies

47. The results of the Auction shall be approved by the Freeport of Riga Chief Executive Officer within one month after the day of the Auction. After approval of the Auction results, the decision on entering into an agreement granting the right of superficies pertaining to the Item(s) shall be taken by the Freeport of Riga Board. A separate agreement granting the right of superficies shall be concluded for each Item.
48. After taking the decision of the Freeport of Riga Board on entering into the agreement(s) granting the right of superficies, the Authority shall ensure the preparation of the right of superficies border plan. The Auction Winner shall sign an agreement granting the right of superficies within 30 (thirty) days after registration of the right of superficies border plan with the State Land Service.
49. If the Auction Winner refuses to enter into an agreement granting the right of superficies in writing, does not provide a reply regarding the conclusion of an agreement granting the right of superficies or an agreement granting the right of superficies within the time period specified in the Regulations, the Commission may take a decision that he or she loses the right of superficies pertaining to the Item. In this case, a repeated auction shall be announced.
50. Information regarding a repeated auction shall be published in the official publication "Latvijas Vēstnesis", on the website of the Authority www.rop.lv.

5. Release of a security deposit

51. The fee for the right of superficies pertaining to the Item shall be paid in accordance with the provisions of the concluded agreement granting the right of superficies.
52. The security deposit shall be credited to the payment of the right of superficies agreement fee in the event that the Participant is declared the Auction Winner and enters into an agreement granting the right of superficies. For a Participant who has not been declared the Auction Winner, the security deposit shall be released within 10 (ten) business days from the day following the Auction.
53. The security deposit shall not be released in the following cases:
 - 53.1. A participant who has received a registration certificate and has refused or is deemed to have refused to participate in the auction/entering into an agreement granting the right of superficies (in the cases provided for in Paragraphs 33, 34, 42);
 - 53.2. To the Auction Winner, if he does not sign an agreement granting the right of superficies.

6. Auction not held and invalid

54. The auction shall be deemed not to have taken place:
 - 54.1. if only one Participant has arrived at the Auction, and he/she does not confirm his/her readiness to conclude an agreement granting the right of superficies pertaining to the Item at the opening price of the Auction;
 - 54.2. if no Participant has come to the Auction.
55. The Auction shall be declared invalid:
 - 55.1. if someone was unreasonably not allowed to participate in the Auction or a bid or a repeated bid has been incorrectly rejected;
 - 55.2. the property was auctioned by a person who was not entitled to participate in the Auction;
 - 55.3. if it is established that there was an agreement to prevent a Participant from participating in the Auction;
 - 55.4. if the Auction took place at a place and time which does not correspond to the place and time indicated in the publication.
56. Claims in the cases referred to in Paragraph 55 of the Regulations may be submitted in writing to the Authority only by the Participant within 3 (three) business days from the day of the Auction.

57. The Commission shall decide on:
 - 57.1. the recognition of the Auction as not having taken place within 10 (ten) business days from the date of the Auction;
 - 57.2. recognition of the auction as invalid within 10 (ten) business days from the day of receipt of the claim.
58. The decision of the Commission shall be notified to the Participants within 2 (two) business days from the date of entry into force of this decision.
59. If the Auction has been declared not to have taken place or invalid, the further granting of the right of superficies pertaining to the Item shall be carried out in accordance with the decision of the Freeport of Riga Board.
60. If the Auction is declared invalid, a repeated auction shall take place between the same Participants.
61. If the repeated auction is organized due to the fact that a decision has been made to declare the Auction invalid in the case referred to in sub-clause 55.3 of the present Regulations, then those Participants between whom the said agreement had existed may not participate in the repeated auction