

REGULATIONS FOR THE ORAL AUCTION
of the hopper
DZELME
owned by the Ventspils State City Municipality
(second auction)

1. General Provisions

- 1.1. These auction regulations (hereinafter referred to as the Auction Regulations) determine the procedure for conducting second oral auction for sale of the hopper DZELME (registration No. 1034, IMO number 8871273) (hereinafter referred to as the Object) owned by the Ventspils State City Municipality (hereinafter referred to as the Municipality), pursuant to Section 73, Part Three of the Local Government Law, the requirements of the Law on the Alienation of the Property of a Public Entity (hereinafter referred to as the Alienation Law), the decision of the Municipal Council No. 142 “On the Alienation of the Hopper DZELME” (hereinafter referred to as the Council Decision) of 28 August 2025, decision of the Municipal Council No. 94 “On the starting price of the second auction of the Hopper DZELME” of 27 November 2025 and the present Auction Regulations.
- 1.2. Information regarding the Object:
 - 1.2.1. Type of ship: hopper; Port of registration: Ventspils; Length: 63.89 m; Breadth: 13.50 m; Moulded depth: 4.50 m; GT: 1435, NT: 430.
 - 1.2.2. Year and place built: 1979, USSR. Registration date in the Latvian Ship Register: 25 November 1993;
 - 1.2.3. The Object is not leased to anyone, is not encumbered with any property rights, and there are no legal proceedings that could affect the ownership rights to the Object;
 - 1.2.4. Right of first refusal – none;
 - 1.2.5. The Object is located in the Port of Ventspils;
 - 1.2.6. The Object is being sold including all the equipment on it, as it is at the time of the auction.
- 1.3. The starting price of the auction (hereinafter referred to as the Starting Price) is EUR 878 000 (eighty-seven thousand eight hundred thirty *euro*). The Starting Price does not include value added tax. The Buyer shall pay value added tax in addition to the purchase price of the Object that the Buyer has bid in accordance with the procedure specified in the laws and regulations.
- 1.4. The auction is organised by the Municipal Institution “Ventspils osta” (Port of Ventspils), Registration number 40900035086, registered address: 23 Ostas Street, Ventspils, LV-3601, e-mail ventspils.osta@ventspils.lv, phone: +371 63624323 (hereinafter referred to as the Auction Organiser).
- 1.5. The auction is held by the Municipal Real Estate Auction Commission (hereinafter referred to as the Auction Commission).
- 1.6. The decision on the approval of the auction results for the Object shall be made by the Auction Commission.
- 1.7. The decision on a repeated auction shall be made by the institution specified in sub-clause 1.4 of the Auction Regulations in accordance with the procedure laid down in the Alienation Law and the Council Decision.
- 1.8. The announcement of the auction of the Object (hereinafter referred to as the Announcement) shall be published in the official gazette of the Republic of Latvia “Latvijas Vēstnesis”, in the newspaper “Ventas Balss” and on the website of the Municipality www.ventspils.lv.
- 1.9. You can get acquainted with the Object and documents related to the Object in advance by contacting Normunds Kornijanovs, Head of the Shipping Support Service of the Ventspils Free Port Authority, phone +371 63607500; mobile +371 29342131; e-mail normunds.kornijanovs@vbp.lv.
- 1.10. Type of auction – open oral auction with an ascending bid. Step of the auction is EUR 87 300 (eighty-seven thousand eight hundred thirty *euro*).
- 1.11. The auction may take place if at least one participant has registered for the auction and arrived at the auction. If no auction participant has exceeded the starting price of the auction or if the price bid has not

been paid within the specified time limit, the auction with an ascending bid auction shall be deemed invalid.

The payments referred to in these Auction Regulations shall be made 100% in *euro*.

2. The Auction Payments and Payment Procedure

- 2.1. Not later than before expiry of the auction participant registration period specified in the Announcement the auction participants must pay a security deposit in amount of 10% of the Starting Price of the Object, i.e. EUR 87 830 (eighty-seven thousand eight hundred thirty *euro*) (hereinafter referred to as the Security Deposit), by transferring the Security Deposit to the following bank account: No. LV38RIKO0002930349051, Luminor Bank AS Latvian branch, Ventspils State City Municipality Institution "Ventspils Port", Registration No. 40900035086
- 2.2. The Security Deposit shall be deemed paid, if the relevant amount of money has been transferred to the bank account specified in the Auction Regulations.
The Security Deposit paid by the person who has bid for and purchased the auctioned Object (hereinafter referred to as the Bidder) shall be added to the purchase price.
- 2.3. Should the Auction Commission receive a written withdrawal from taking part in the auction from a participant not later than before expiry of the registration period for auction participants specified in the Announcement, the Security Deposit shall be refunded to the participant within seven working days after the auction date. In other cases, a participant who has not arrived at the auction shall be deemed to have withdrawn from participation in the auction, and the Security Deposit shall not be refunded.

3. Participants of the Auction, Documents to be Submitted and Registration

- 3.1. Applications (Annex No. 1 to the Auction Regulations) for participation in the auction shall be submitted by 16:00 on 30 January 2026. The documents can be submitted on working days from 08:00 to 17:00 (on Fridays until 16:00), except during the lunch break from 12:00 to 13:00, at the Municipal Institution "Ventspils osta" at 23 Ostas Street, Ventspils (phone: 63624323). Applications shall be submitted in person or sent by post. Applicants can submit their applications electronically by sending them to the following e-mail address: ventspils.osta@ventspils.lv. Applications submitted electronically must be signed with a secure electronic signature and formatted in accordance with Cabinet Regulation No. 473 of 28 June 2005 "Procedures for the Preparation, Drawing Up, Storage and Circulation of Electronic Documents in State and Local Government Institutions, and the Procedures by which Electronic Documents are Circulated between State and Local Government Institutions, or Between These Institutions and Legal and Natural Persons".
- 3.2. All Auction documents shall be submitted in Latvian. If a document is in another language, it must be accompanied by a certified translation into Latvian in accordance with the procedure laid down in the laws and regulations.
- 3.3. The Applicant is obliged to ensure that the application, together with other documents specified in the Auction Rules, is submitted within the deadline and in the manner specified in the Advertisement. Applications will not be accepted after the deadline specified in Subsection 3.1 of the Auction Rules.
- 3.4. By submitting an application to participate in the auction, the applicant confirms that they have got acquainted with the actual condition of the Object and agree to purchase it in the condition it is in and with the equipment it has at the time of the auction.
- 3.5. Any natural or legal person including a partnership with legal capacity, who may acquire ownership of the Object in accordance with the laws and regulations valid in the Republic of Latvia, may become a participant of the auction.
- 3.6. By submitting an application to participate in the auction, the applicant confirms and guarantees that:
 - 3.6.1. they have not been declared insolvent by a court ruling, no legal protection proceedings have been initiated by a court judgment or no extrajudicial legal protection proceedings have been initiated by a court decision, bankruptcy proceedings have not been initiated, reorganisation or settlement has not been applied, and economic activity has not been terminated;

- 3.6.2. no international or national sanctions have been imposed on the applicant, or the applicant's board or council members, beneficial owners, authorized representatives or proxies, no 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 imposed;
- 3.6.3. all financial resources to be used for purchase of the Object have been obtained by lawful means, their origin is legal and they are not related to money laundering, terrorist financing or other illegal transactions;
- 3.6.4. the applicant has no tax (duty) debts administered by the State Revenue Service of the Republic of Latvia or in the country where it is registered, including social security contribution debts that exceed EUR 150 in total, as well as payment (tax, rent payment, etc.) debts to the Ventspils State City Municipality or its capital companies.
- 3.7. Registration of applicants' applications begins after the publication of the Advertisement.
- 3.8. If a participant takes part in the auction through an authorized representative, they shall submit the original of a valid power of attorney (for natural persons – a notarized power of attorney; for legal persons – in the form of a written or electronic document).
- 3.9. Documents issued abroad shall be accepted if they are drawn up in accordance with the provisions of national laws and regulations and international agreements binding to Latvia, including that the right to sign the application must be certified in accordance with the laws and regulations valid in the respective country.
- 3.10. Should the Auction Commission be unable to obtain information about the respective legal entity from public databases, it shall be entitled to additionally request a reference regarding the respective legal entity from the State Register of the respective legal entity.
- 3.11. Bidders who have fulfilled the auction prerequisites are registered in the list of auction participants.
- 3.12. The Auction Commission shall assess the bidders' compliance with the Auction Rules. The Auction Commission shall have the right to ask the bidder to clarify the submitted documents within the period specified by the Auction Commission.
- 3.13. An auction participant shall be registered and may participate in the auction, if the application has been submitted within the time limit specified in the Auction Regulations, the necessary documents have been submitted or presented in the prescribed manner, and the Security Deposit has been paid.
- 3.14. If the application documents are not drawn up in accordance with requirements of the Auction Regulations or do not contain the information specified in the Auction Regulations, the Auction Commission shall decide to exclude the applicant from participation in the auction and repays the Collateral.

4. Auction Procedure

- 4.1. The oral auction of the Object shall be held on 11 February 2026 at 13:30, at 36 Jūras Street, Ventspils, in the Ventspils City Council premises, hall on the 2nd floor (Room 23).
- 4.2. Bidders shall present to the Auction Commission a personal identification document and a power of attorney to represent the bidder at the auction, they shall be registered in the list of auction participants before the start of the auction and shall be issued registration cards with serial numbers according to the order in which their applications were submitted. Bidders registered in the list of auction participants become participants of the auction. Auction participants confirm with their signature that they have read the Auction Regulations and that the auction procedure is clear to them. The name, surname and personal identification number (for natural persons) or name, registration number, name and surname of the representative (for legal persons) of each participant shall be included in the list of auction participants.
- 4.3. The Auction Commission has the right to verify the information provided by applicants and auction participants. An applicant or auction participant shall not be admitted to participate in the auction, shall not be included in the list of auction participants, nor shall be recognized as the winner of the auction if it is discovered that they have provided false information.

- 4.4. When opening the auction, the Auction Commission shall draw up a list of auction participants (Annex to the Auction Protocol), where the price offered by each participant during the auction shall be recorded, continuing to record the price while it is increased.
- 4.5. The auctioneer opens the auction and describes the Object, announces the starting price of the auction, as well as the auction step – the amount by which the price is to be increased with each subsequent bid.
- 4.6. During the bidding process, auction participants raise their registration cards with their numbers. The auctioneer repeats the registration number of the first bidder and announces the price offered. The auction takes place by single bids, with the price increasing by one step with each bid.
- 4.7. The winner of the auction shall be determined by the highest bid, unless another auction participant offers more after three rounds of bidding. When refusing to bid further, each auction participant confirms their last bid with their signature on the list of auction participants
- 4.8. Should none of the auction participants offer a higher price, the auctioneer shall repeat the last highest price three times and confirm it with a hammer stroke accompanied with the word “Sold”. This means that the Object has been sold to the person who offered the highest price. The respective participant’s registration number and the highest price are recorded in the auction protocol.
- 4.9. After signing the auction protocol, the winning bidder receives a certificate for the Object acquired at the auction. The certificate specifies the price of the Object and the payment procedure.
- 4.10. The Auction Commission shall sign the auction protocol not later than within seven working days after the auction.
- 4.11. The participant who has bid the second highest price (hereinafter referred to as the Last Outbid Person) shall be refunded the Security Deposit for the Object within seven working days after the Auction Commission’s decision to approve the auction results and receipt of the purchase price in the credit institution’s account from which the auction participant paid the Security Deposit.
- 4.12. Auction participants who participated in the auction but did not win the auction Object, the Security Deposit shall be refunded within seven working days after the auction date to the auction participant’s credit institution’s account specified in the application from which the auction participant paid the Security Deposit for the Object.
- 4.13. The auction shall be deemed invalid and the Security Deposit shall not be refunded to any of the auction participants if none of them has exceeded the Starting Price of the auction.

5. Confirmation of the Auction Results and Conclusion of the Purchase Agreement

- 5.1. The auction participant who has bid the highest price (hereinafter referred to as the Winning Bidder) must, within two weeks after the auction date, i.e. until 25 February 2026, transfer the remaining purchase price – the amount corresponding to the difference between the highest bid price and the Security Deposit paid, to the account of the Municipal Institution “Ventspils osta”: Luminor Bank AS Latvian branch, account No. LV94RIKO0002930319234.
- 5.2. Not later than 30 (thirty) days after receiving the payment specified in sub-clause 5.1 or 5.5 of the Auction Regulations, the Auction Commission shall make a decision on the confirmation of the results of the auction of the Object.
- 5.3. If the Winning Bidder has not paid the purchase price of the Object bid by them in accordance with the procedure specified in the Auction Regulations and within the time limit specified in sub-clause 5.1, it shall be deemed that they have waived their right to purchase the Object, lost their rights to the Object they bid on, and the Security Deposit shall not be refunded to the Winning Bidder.
- 5.4. If the Winning Bidder has not paid the purchase price for the Object bid by them within the specified time limit, the Auction Organiser shall offer the Object for purchase to the Last Outbid Person by issuing or sending the certificate referred to in Clause 4.10 of the Auction Regulations regarding the purchase of the Object at the highest price bid by the Last Outbid Person.
- 5.5. In the case referred to in sub-clause 5.4 of the Auction Regulations, the Last Outbid Person shall take the place of the Winning Bidder. The Last Outbid Person shall have the right to notify the Auction Organiser

in writing of the purchase of the Object within two weeks of receiving the notification and to pay the highest purchase price bid by them to the account specified in the Announcement.

- 5.6. If the Last Outbid Person refuses to purchase the Object or fails to pay for the purchase within the specified period, the auction shall be deemed invalid. The Security Deposit shall not be refunded to the respective participant.
- 5.7. Within seven working days after the confirmation of the auction results, the Auction Organiser invites the Winning Bidder to conclude a purchase agreement of the Object.
- 5.8. The Purchase Agreement of the Object must be signed by the auction winner within 30 days after confirmation of the auction results.

6. Invalid Auction

- 6.1. Auction of the Object shall be deemed invalid, if:
 - 6.1.1. there are no applications for participation in the auction;
 - 6.1.2. the auction was announced breaching the Auction Regulations or the Alienation Law;
 - 6.1.3. it is established that participation in the auction of any of the participants has been unjustifiably rejected or a bid has been incorrectly rejected;
 - 6.1.4. none of the registered participants have come to the auction;
 - 6.1.5. none of the participants who have applied for the auction have exceeded the Starting Price of the auction;
 - 6.1.6. the Winning Bidder or the Last outbid Person have not signed the Purchase Agreement of the Object within the specified term;
 - 6.1.7. none of the auction participants, who were declared the winner of the auction, have paid the purchase price within the term and amount stipulated in the present Auction Regulations;
 - 6.1.8. the Object is purchased by a person, who is not authorised to participate in the auction.
- 6.2. In case the Winning Bidder and the Last Outbid Person miss the deadline for conclusion of the Purchase Agreement of the Object specified in the Auction Regulations they shall lose the Security Deposit paid, as well as the right to purchase the Object in accordance with the Auction Regulations.
- 6.3. The decision to declare the auction invalid shall be taken by the Auction Commission and communicated to the auction participants.

7. Contesting the Auction Results

The results of the auction may be contested, and complaints about activities of the Auction Organiser can be submitted to the Executive Director of the Municipal Council, address 36 Jūras Street, Ventspils, LV-3601, dome@ventspils.lv, within one month after the date of conclusion of the auction.

8. Other Provisions

- 8.1. The winner of the auction (hereinafter referred to as the Buyer) shall acquire ownership rights to the Object upon registration of the ownership rights in the Latvian Ship Register. The Buyer shall be obliged to submit all documents to the Latvian Maritime Administration and register the change of ownership of the Object registered in the Latvian Ship Register within 10 working days from the date of conclusion of the Purchase Agreement and the date of signing the transfer and acceptance certificate. All expenses related to the registration of ownership rights in the Latvian Ship Register shall be covered by the Buyer.
- 8.2. At the time of signing the Purchase Agreement, the parties may agree on non-material amendments or clarifications, without altering the essential terms and conditions of the Purchase Agreement.
- 8.3. The location of the ship and the place of delivery to the Buyer is Ventspils, Latvia.
- 8.4. The Parties shall sign the Object transfer and acceptance certificate and the Buyer shall take over the Object not later than within 5 (five) working days after conclusion of the Purchase Agreement.
- 8.5. From the date of conclusion of the Purchase Agreement, all obligations and rights related to the Object, tax payments, risk of complete or partial damage to the Object, as well as the obligation to bear all burdens and expenses related to the Object shall be transferred to the Buyer.

- 8.6. The Buyer assumes all obligations and expenses related to the storage and maintenance of the Object at its location from the date of conclusion of the Purchase Agreement, as well as the transportation of the Object to another location chosen by the Buyer.
- 8.7. The municipality shall not be liable for the replevin if any of the circumstances specified in Article 1603 of the Civil Law occur. The Buyer is obliged to assume all risks, including expenses that might arise in the event of a replevin. The Buyer waives the right to claim any liability from the municipality.
- 8.8. When processing personal data obtained during the auction process, the Municipal Institution “Ventspils Port” shall comply with 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 the requirements set out in national laws and regulations on the processing of personal data.
- 8.9. The legal basis for the processing of personal data of auction participants is Article 6(1)(c) of the General Data Protection Regulation: the processing is necessary for compliance with a legal obligation, which the controller is subjected to. The Municipal Institution “Ventspils osta” organises the alienation of property by selling it at an auction in accordance with the procedure laid down in the Alienation Law
- 8.10. The auction regulations have been translated into English. In the event of a dispute or disagreement, the text in Latvian shall prevail.
- 8.11. The Auction Regulations are signed by the Head of the Municipal Institution “Ventspils osta”.
- 8.12. The Auction Regulations have the following annexes:
- 8.12.1. Annex No.1 – Application to the Auction;
- 8.12.2. Annex No. 2 – Draft Purchase Agreement;
- 8.12.3. Annex No. 3 – Object Assessment.

Head of the Ventspils State City Municipality
Municipal Institution “Ventspils Osta”

I.Sarmulis

Ventspils, 11 December 2025

Application
for participation in ORAL AUCTION of the hopper DZELME
owned by the Ventspils State City Municipality
(second auction)

Participant of the auction

Information on the participant	
Title	
Registration number	
Address	
E-mail address	
Phone number	
Bank details	
Name of the bank	
Bank code	
Account number	
Information on representative of the participant	
Name and surname	
Personal identity number	
Phone	
E-mail address	

By signing and submitting the present application the participant of the auction confirms that:

- 1) they declare their participation in the oral auction of the hopper DZELME owned by the Ventspils State City Municipality and express their wish to purchase the hopper DZELME with all its equipment and in the technical condition it is in at the time of the auction;
- 2) they have got acquainted with the hopper DZELME and the Auction Regulations, they understand them, know their rights and obligations as an auction participant, fully agree to the Auction Regulations and undertake to comply with them;
- 3) should they be declared the winner of the auction, they undertake to comply with all the terms and conditions of the draft Purchase Agreement that is attached to the Auction Regulations;
- 4) the auction participant has not been declared insolvent by a court ruling, no legal protection proceedings have been initiated by a court judgment or no extrajudicial legal protection proceedings have been initiated by a court decision, bankruptcy proceedings have not been initiated, reorganisation or settlement has not been applied, and economic activity has not been terminated;
- 5) no international or national sanctions have been imposed on the participant, or the participant's board or council members, beneficial owners, authorized representatives or proxies, no 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 imposed;

- 6) all financial resources to be used for purchase of the hopper DZELME have been obtained by lawful means, their origin is legal and they are not related to money laundering, terrorist financing or other illegal transactions;
- 7) the participant has no tax (duty) debts administered by the State Revenue Service of the Republic of Latvia or in the country where it is registered, including social security contribution debts that exceed EUR 150 in total, as well as no payment (tax, rent payment, etc.) debts to the Ventspils State City Municipality or its capital companies;
- 8) and guarantees that all information provided is true and confirms that there are no restrictions prohibiting the auction participant to participate in this auction and to conclude the necessary transactions.

Attached: *(please, indicate the documents attached to the Application).*

_____, _____
(place) (date)

On behalf of the participant of the auction:

(signature, name and surname)

This document is signed with a secure electronic signature and contains a time stamp