LEASE AGREEMENT
on the Lease of the Industrial Building at *Ventspils Augsto tehnoloģiju parks 4* in Ventspils and a Part of the Attached Land Plot

Ventspils *See the date of signing the document on the time stamp*

Ventspils State City Municipality (hereinafter – the Ventspils Municipality) Institution "Ventspils osta" [Port of Ventspils], unified registration number: 40900035086, registered office: *Ostas iela 23*, Ventspils, represented by its Head, Imants Sarmulis, as the Lessor (hereinafter – the Lessor) pursuant to the Ventspils Municipality Council Regulations No. 10 of 19 November 2021 "Regulations of the Ventspils State City Municipality Institution "Ventspils osta" [Port of Ventspils]", on the one part, and
[NAME OF THE LESSEE], unified registration number: ______________, registered office: ____________________ *[Lessee's representative and basis of representation]*, as the Lessee (hereinafter – the Lessee), on the other part (hereinafter collectively referred to as Parties and individually as a Party),

taking into account:

- the Decision No. ___ "Further Implementation of the Project "Construction of an Industrial Building at *Ventspils Augsto tehnoloģiju parks 4* in Ventspils"" adopted by Ventspils Municipality on ___ __________ 2026;
- the results of the open-outcry auction organised by the Lessor regarding the lease rights to the property at *Ventspils Augsto tehnoloģiju parks 4* in Ventspils (hereinafter – the Industrial Building) and a part of the attached land plot, which have been approved by the decision of the Immovable Property Auction Commission of Ventspils Municipality adopted on ___ __________ 2026;
- the requirements of the European Union Cohesion Policy Programme 2021–2027, Specific Objective 6.1.1 "Mitigation of the economic, social and environmental impacts of the transition to climate neutrality in the most affected regions", Measure 6.1.1.3 "Support for the development of public infrastructure necessary for business, promoting the transition to a climate-neutral economy";[1]
- the agreement concluded on ___ _________ 2026 between the Central Finance and Contracts Unit and Ventspils Municipality on the implementation of the Project No. 6.1.1.3/2/26/A/013 "Construction of an Industrial Building at *Ventspils Augsto tehnoloģiju parks 4* in Ventspils" (hereinafter – the Project),

the Parties hereby conclude the present agreement (hereinafter – the Agreement):

1. Lease Property

1.1. The Lessor shall construct and lease to the Lessee, and the Lessee shall accept for lease against payment, a lease property (hereinafter – the Lease Property) consisting of the following:

1.1.1. the area associated with the Industrial Building – a part of the land plot corresponding to the Industrial Building and the adjacent area of ~ 8,203.80 m^2 at *Ventspils Augsto tehnoloģiju parks 4* in Ventspils (cadastral number: 27000270273, cadastre designation: 27000270273);

[1] Cabinet Regulation No. 593 of 17 October 2023, Regulations on the Implementation of the European Union Cohesion Policy Programme 2021–2027, Specific Objective 6.1.1 "Mitigation of the economic, social and environmental impacts of the transition to climate neutrality in the most affected regions", Measure 6.1.1.3 "Support for the development of public infrastructure necessary for business, promoting the transition to a climate-neutral economy" (hereinafter – Cabinet Regulation No. 593).

1.1.2. the Industrial Building with a total area of 4,429.2 m^2, comprising the following:

Type of premises	*1st floor (m^2)*	*2nd floor (m^2)*
Common-use areas (stairwell, vertical lift)	51.6	7.5
Technical facilities (technical room, janitor's room, BMS rooms)	109.7	62.6
Production facilities (production area, changing rooms, sanitary facilities, etc.)	3,842.0	3.4
Office premises	0	352.4
Total	4,429.2 m^2	

**The leasable area of the Industrial Building and the part of the attached land plot forming part of the Lease Property shall be specified after commissioning of the Industrial Building and following the cadastral surveying, before the Lease Property is handed over to the Lessee.*

1.2. The layouts of the Industrial Building and the area are included in Annex 1 to the Agreement and constitute an integral part thereof.

1.3. The Lessor shall construct the Industrial Building at its own expense in accordance with the construction project and pursuant to the regulatory requirements of the Republic of Latvia, and shall commission it within the time limit specified in the construction project, i.e. in the first half of 2028[2]. The Industrial Building shall be leased as a newly constructed Industrial Building within 20 (twenty) working days after the date on which the Lessor has accepted the Industrial Building for operation, i.e. the date on which the certificate on the acceptance of the building for operation specified in the applicable laws and regulations (hereinafter – the Building Authority's Certificate) has been signed. The deadline for commissioning the Industrial Building may be extended due to reasons not attributable to the Lessor. In such a case, the Lessor shall not be liable for any losses incurred by the Lessee due to the delay.

1.4. If, during the construction process of the Production Building, the Lessee proposes changes to the technical solutions of the Lease Object to meet its specific needs, the Lessor may, after assessing the impact of such changes on the Project and the future use of the Lease Object, agree with the Lessee on modifications to the technical solutions. Any such modifications may be carried out at the Lessee's expense if no funding is available within the framework of the Project.

1.5. Before the Lessee moves into the Industrial Building and the area, the Parties shall jointly inspect the Industrial Building and the area and complete the handover and acceptance procedure in respect of which Certificates on the Handover and Acceptance of the Industrial Building and the Area (see Annex 2 to the Agreement) shall be drawn up.

1.6. At the Lessee's request, the Lessor shall provide its consent to the registration of the Agreement in the Land Register and shall sign all documents required for this purpose. All expenses related to the registration of this Agreement in the Land Register shall be borne by the Lessee.

2. Rent and Settlement Procedure

2.1. The rent for the Industrial Building shall be EUR /*the rent bid at the auction*/ per m^2 (_____ euros and ____ cents per square metre) per month, exclusive of value added tax (VAT); in addition to the rent for the Industrial Building, the Lessee shall pay the rent for the area (land) in the amount of EUR 0.00611 per m^2 of the leased part of the land plot per month (hereinafter, the rent for the Industrial Building and the area shall be collectively referred to as the Rent). The Rent shall include the Auction Security Deposit of EUR 15,000.00 (fifteen thousand euros). The leasable area of the Industrial Building and the part of the attached land plot forming part of the Lease Property shall be specified after commissioning of the Industrial Building and following the cadastral surveying.

[2] The date will be specified in the Lease Agreement to be signed.

2.2. The Lessee shall pay the Rent for the Lease Property from the day following the date on which the Lessor has accepted the Industrial Building for operation and the Building Authority's Certificate has been signed.

2.3. The Lessor shall have the right, by giving written notice to the Lessee, to unilaterally amend the amount of the Rent without amending this Agreement in cases where:

2.3.1. annually, by applying the Consumer Price Index published by the Central Statistical Bureau, starting from the second year of the lease following the date on which the Lessor has commissioned the Production Building and the relevant acceptance certificate of the Building Authority has been signed, in accordance with the Consumer Price Indices published by the Central Statistical Bureau;

2.3.2. taxes or duties are introduced or increased in accordance with the applicable laws and regulations. In such cases, the Rent shall be adjusted from the date specified in the relevant laws and regulations;

2.3.3. the applicable laws and regulations provide for another amount of the Rent or settlement procedure.

2.4. The Lessor shall review the amount of the Rent unilaterally, at least as often as required by the Law on Prevention of Squandering of Financial Resources and Property of Public Entities, and shall adjust the Rent if the reviewed amount exceeds the current Rent, in accordance with the procedures for determining the Rent laid down in the applicable laws and regulations.

2.5. The reviewed and adjusted Rent shall become effective on the thirtieth day after the relevant notification has been sent to the Lessee.

2.6. If the Lessee does not agree with the reviewed amount of the Rent, it shall have the right to withdraw from the Agreement unilaterally by giving the Lessor one month's prior written notice. Until the termination of the Agreement, the Lessee shall pay the Rent in accordance with the reviewed amount of the Rent.

2.7. During the term of the Agreement, the Lessor shall have the right, upon the Lessee's request, to reduce the Rent if there is a downward trend in demand for leased properties and rental rates in the relevant real estate market segment. The Lessor shall consider the Lessee's request within 30 (thirty) days of its receipt. If the application of a reduced Rent qualifies as State aid to the Lessee, the Rent shall be determined in accordance with the market rent established by an independent valuer. The Rent shall not be reduced during the first three years following the conclusion of the Agreement.

2.8. The Rent shall be paid monthly, by the 15th day of the current month, by bank transfer to the bank account specified by the Lessor.

2.9. The Lessee shall not be obliged to pay the Rent, and any Rent payments made in advance shall be refunded to the Lessee, if the Production Building or any part thereof becomes unusable, as documented by a statement of fact, as a result of events that were not caused by the Lessee and did not arise due to the Lessee's fault. This includes, but is not limited to, situations where, due to force majeure, the Lessee is unable to use, or the use of, the Production Building or any part thereof is restricted.

2.10. By the 10th day of each month, the Lessor shall prepare electronically structured invoices (in XML format, with an additional PDF file of the invoice attached), which shall be valid without a signature and shall contain all information required under the laws and regulations of the Republic of Latvia. The Lessor shall send the invoices primarily from the official e-address _DEFAULT@40900035086 to the LESSEE's official e-address _DEFAULT@XXXXXXXXXXX, and secondarily to the e-mail address XXXXXX@XXXX.lv

2.11. The Lessee's contact person for receiving invoices shall be ___________, telephone: ______________, e-mail:__________________________.

2.12. The Lessee shall, within 1 (one) working day after receiving the invoice, confirm its receipt by sending a confirmation to the Lessor's e-mail: ventspils.osta@ventspils.lv. The confirmation shall include the date of receipt of the invoice and its number. The Lessor's contact telephone number regarding invoices is 63601130.

2.13. If the Lessee has not received the invoices from the Lessor by the 10th day of the month, the Lessee shall have the obligation to notify the Lessor in writing thereof by the 15th day of the month; otherwise, the invoices issued and sent by the Lessor shall be considered received.
2.14. In cases where it is not possible to send an invoice to the Lessee electronically, the Lessor shall have the right to issue and send an invoice in paper format. In such a case, the Lessee shall make the respective payment within the time limit specified in the invoice.
2.15. The Lessee shall promptly inform the Lessor in writing of any changes in the e-mail address or the contact person.
2.16. Payments for management and utility services shall be made in accordance with Clause 4 of the Agreement.
2.17. In addition to the Rent, the Lessee shall pay the immovable property tax directly into the budget of Ventspils Municipality in accordance with the calculation set out in the notification of immovable property tax, proportionate to the leased area, commencing on the day following the date on which the Building Authority's Certificate has been signed.
2.18. If additional taxes are imposed on the leased area, which are determined after the Agreement comes into effect, the Lessee shall reimburse the Lessor for the period during which such taxes are in effect.

3. Use of the Industrial Building and the Area

3.1. The Lessee may use the Industrial Building for its economic activity with the aim of creating high-added-value jobs and export oriented jobs, and making non-financial investments in its own intangible assets and fixed assets, in accordance with the conditions and restrictions outlined in Clause 5 of this Agreement.
3.2. During the term of the Lease Agreement, the Lessee shall care for the Lease Property as a prudent and diligent manager and shall be liable as the owner towards all third parties.
3.3. The Lessee shall have the right to place equipment, goods, and other property of its choice in the Industrial Building during the term of the Agreement, as long as it is necessary for the economic activity of the Lessee and for the purposes specified in the Agreement. As a result of the activities referred to in this Clause, the Industrial Building may not be damaged, and the technical parameters of its premises may not be exceeded.
3.4. The Lessee shall ensure the operation of the structures, engineering networks, and communications of the Industrial Building in accordance with the applicable laws and regulations of the Republic of Latvia. In the event that the Lessee breaches the rules for the operation of water supply, sewage, and other engineering networks or other communications, thereby causing damage to the Industrial Building, engineering or communication networks (such as leaks or damage to electrical and telephone wiring etc.), including the area associated with the Industrial Building and properties owned by the Lessor or third parties, the Lessee shall immediately, at its own expense, rectify the consequences of the damage caused. The Lessee and the Lessor shall mutually agree on the deadline for the rectification of such consequences of the damage caused. In the case of other violations, the Parties shall agree on a reasonable deadline for the rectification of such violations, which shall not exceed 12 (twelve) months.
3.5. In case of an emergency in the Industrial Building related to water supply, sewage, electrical network, or heating system involving water leakage or fire hazards, which may lead to a damage to premises, the Lessee shall immediately notify the Lessor, emergency services, and services which maintain the relevant communications, as well as comply with the conditions for the management of the Industrial Building and take the appropriate measures to rectify the emergency situation.
3.6. The Lessee shall have the right to carry out repair works (including cosmetic repairs, etc.), improvements or alterations to the Production Building, subject to obtaining the Lessor's prior written consent. The Lessor shall issue its decision granting or refusing such consent within 15 (fifteen) business days of receipt of a complete application. If any alterations to the Production Building are carried out without the aforementioned consent, the Lessee shall restore the

Production Building to the condition it was in prior to such alterations and shall compensate the Lessor for all losses incurred as a result thereof.

3.7. The Lessee shall have the right, at its own expense, install telecommunications and audiovisual equipment, its own computer network, and a security system within the interior of the premises. The Lessee shall comply with the personal data protection requirements laid down in the applicable legislation.

3.8. The Lessee shall ensure fire safety in the Industrial Building and the associated area in accordance with the procedures laid down in the applicable laws and regulations.

3.9. The Lessee shall have the right, with the consent of the Lessor and at its own expense, to place advertisements and signs, including logos and symbols related to the Lessee's economic activity, within the area and the leased part of the Industrial Building, i.e. on the external façade, at the entrances to the Industrial Building, and inside the premises, in accordance with the regulatory requirements of the Republic of Latvia.

3.10. The Lessee shall have the right to sublease the Lease Property under the following conditions:

3.10.1. In the event of sublease, the Lessee shall conduct a public auction of the Lease Rights, ensuring an open, transparent, and non-discriminatory procedure, including the preparation of auction regulations and the publication of information on the auction on the official website of Ventspils Municipality at www.ventspils.lv and in the local newspaper. The Lessee shall have the right to publish the announcement in other media.

3.10.2. The Lessee shall have the right to sublease the Lease Property only with the prior consent of the Lessor.

3.10.3. The sublease agreement shall prohibit the sublessee from transferring the Lease Property to third parties for further use.

3.10.4. The provisions of the sublease agreement shall not contravene the Lease Agreement, and the Lessee shall ensure compliance with the special conditions outlined in Clauses 5.2 and 5.3 of the Agreement.

3.11. During the term of the Agreement, the Lessee shall be responsible for the conduct of all individuals who are present in the Industrial Building with the Lessor's consent.

3.12. The Lessor shall have the right to ensure that the Industrial Building is used for the purposes, pursuant to the conditions, and in the manner stipulated in the Agreement and in accordance with the relevant laws and regulations. In the event of an inspection, the Lessor shall give the Lessee at least 3 (three) days' prior notice thereof.

3.13. The Lessee shall have the right to carry out major repairs in the Industrial Building at its own expense, subject to the Lessor's approval in accordance with the applicable laws and regulations.

3.14. The Lessee shall not raise any objections if the Lessor carries out works necessary for the refurbishment of the Industrial Building to the extent required, provided that the Lessee and the Lessor have agreed at least 3 (three) days in advance on the timing of such works.

3.15. If the Lessee fails to fulfil its obligations regarding the use of the Industrial Building, it shall immediately, upon receipt of the Lessor's notification, remedy any breaches that pose a risk to the safe operation of the building or to human life. In the case of other breaches, the Parties shall agree on a reasonable deadline for their rectification, which shall not exceed 30 (thirty) calendar days.

3.16. The Lessee shall be obliged to maintain general third-party liability insurance covering its liability, as the insured lessee of the Production Building and the Territory, towards the Lessor and third parties, with coverage of at least EUR 100,000, from the date on which the Production Building has been commissioned by the Lessor and the relevant acceptance certificate of the Building Authority has been signed.

3.17. The Lessor shall maintain insurance for the Industrial Building.

4. Maintenance and management of the Industrial Building and the Area

4.1. The Lessee shall be responsible for the maintenance and management of the Industrial Building and the area, and shall organise and carry out such activities at its own expense. The

Lessee shall, no later than within 20 (twenty) days after the commissioning of the Industrial Building, agree with the Lessor on the procedures for managing the Lease Property and shall conclude any contracts and other agreements with utility service providers on the provision of heating, water supply, and sewerage services, the removal of municipal waste, and the provision of other utility services, as well as the maintenance (including the repair and servicing) of the water supply system (including water supply pipes, taps, etc.), heating system, ventilation system, cooling system, sewerage system (including sanitary facilities) and electricity supply system within the Lease Property, and any other activities necessary to ensure the uninterrupted and proper use and preservation of the Lease Property.

4.2. Payments for the utility services used by the Lessee (including power supply within the building, water supply, sewerage, heating, waste removal, cleaning of premises, and other services), based on meter readings and/or proportionate to the leased area, shall be made by the Lessee by concluding service contracts or other agreements with the relevant service providers.

5. Special Lease Conditions

5.1. The construction works for the Industrial Building shall be performed under the Project. A building permit has been issued for the construction of the Industrial Building (Case No. BIS-BL-906956-12985). The Industrial Building is to be constructed in the first half of 2028 and shall be handed over to the Lessee as a newly constructed building in accordance with the Agreement, after the Industrial Building has been accepted for operation, i.e. after the certificate on the acceptance of the building for operation (Building Authority’s Certificate) has been signed.

5.2. In order to ensure the implementation of the Project in accordance with Cabinet Regulation No. 593, the Lessee, as an economic operator that will operate at the Lease Property and contribute to the achievement of the investment objectives, shall not be associated with the following economic sectors in its principal activity at the Project implementation site (such activities do not exceed 50 per cent of net turnover) (in accordance with Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006):

5.2.1. electricity, gas, and steam supply, where the economic operator’s activities are related to the production, conversion, transmission, or distribution of energy derived from fossil fuels (statistical classification of economic activities (hereinafter – NACE) Section D), with the exception of air conditioning included in NACE Section D;

5.2.2. water supply, sewerage, waste management, and remediation activities, with the exception of recycling (NACE Section E);

5.2.3. wholesale and retail trade, with the exception of repair of motor vehicles and motorcycles (NACE Section G);

5.2.4. financial and insurance activities (NACE Section K);

5.2.5. real estate activities (NACE Section L);

5.2.6. public administration and defence, compulsory social security (NACE Section O);

5.2.7. gambling and betting activities (NACE code R92);

5.2.8. growing of tobacco (NACE code A01.15), mining of coal and lignite (NACE code B5), extraction of crude petroleum and natural gas (NACE code B6), manufacture of tobacco products (NACE code C12), manufacture of coke and refined petroleum products (NACE code C19);

5.2.9. activities of extraterritorial organisations and bodies (NACE Section U);

5.2.10. from 1 January 2025, shall not be associated with the following economic sectors included in NACE Rev. 2.1 in the economic operator’s principal activity at the Project implementation site (such activities do not exceed 50 per cent of net turnover) (in accordance with Commission Delegated Regulation (EU) 2023/137 of 10 October 2022 amending Regulation (EC) No 1893/2006 of the European Parliament and of the

Council establishing the statistical classification of economic activities NACE Revision 2):

5.2.10.1. electricity, gas, steam and air conditioning supply, where the economic operator's activities are related to the production, conversion, transmission, or distribution of energy derived from fossil fuels (NACE Section D);

5.2.10.2. water supply, sewerage, and waste management activities, with the exception of restoration, remediation, and recycling (NACE Section E);

5.2.10.3. wholesale and retail trade (NACE Section G);

5.2.10.4. financial and insurance activities (NACE Section L);

5.2.10.5. real estate activities (NACE Section M);

5.2.10.6. public administration and defence, compulsory social security (NACE Section P);

5.2.10.7. gambling and betting activities (NACE code S92);

5.2.10.8. growing of tobacco (NACE code A01.15), mining of coal and lignite (NACE code B5), extraction of crude petroleum and natural gas (NACE code B6), manufacture of tobacco products (NACE code C12), manufacture of coke and refined petroleum products (NACE code C19);

5.2.10.9. activities of extraterritorial organisations and bodies (NACE Section V).

5.3. In order to achieve the target indicators of the Project, the applicant for the Lease Rights shall, in accordance with the procedures outlined in the Lease Agreement:

5.3.1. **by 31 December 2029**, create no less than 45 (forty-five) new jobs at the Lease Property and its associated area, with the financing from the Just Transition Fund not exceeding EUR 175,166 per job;

5.3.2. **by 31 December 2029**, make non-financial investments in its own intangible assets and fixed assets at the Lease Property in an amount of not less than **EUR 1,415,782** (one million four hundred and fifteen thousand seven hundred and eighty-two euros).

5.4. In addition to the cases referred to in the Agreement and the applicable laws and regulations, if the Lessee fails to comply with the requirements laid down in Clauses 5.2 and 5.3 of the Agreement, the Lessor shall have the right to terminate the Lease Agreement unilaterally, in accordance with the procedures and within the time limits specified therein, without compensating the Lessee for any losses arising from the early termination of the Lease Agreement or for any expenses incurred by the Lessee with regard to the Lease Property.

5.5. The Lessor shall have the right to request, and the Lessee shall submit, progress reports on the fulfilment of the obligations referred to in Clause 5.3 of the Agreement within the time limit specified by the Lessor.

5.6. Once the Lessee has achieved the performance indicators referred to in Clause 5.3 of the Agreement, it shall inform the Lessor thereof by submitting documents evidencing the achievement of those performance indicators.

5.7. The Lessee shall, at the Lessor's request, provide information on its performance indicators (the list of employees, the amount of investments, the energy consumption of the building (megawatt-hours), and other information) required for the Project reports.

5.8. The Lessee shall provide the authorities responsible for supervising the Project with access to the Lease Property for inspection purposes.

5.9. Following the inspections, the Lessor shall send the Lessee an appropriate notification. If any breaches of the Project requirements are identified, the Parties shall agree on a reasonable deadline for rectifying such breaches, and such deadline shall not exceed 12 months.

5.10. The Lessee shall comply with the deadlines established by the authorities responsible for supervising the Project, and also with the Project requirements.

5.11. The Lessor shall not be held liable if the Lessee fails to implement its investment plan at the Lease Property or implements it otherwise than in accordance with the Project. In this regard, the Lessee shall assume the risk of all possible losses and shall not receive any compensation of any expenses from the Lessor (whether necessary, useful, or luxury expenses) incurred in connection with any investments relating to the Lease Property.

6. Costs

6.1. If the Lessee fails to make the payments under the Agreement within the specified term, the Lessor may request the Lessee to pay late payment interest of 0.01% of the overdue amount for each overdue calendar day without prior notice. Payment of late payment interest shall not release the Lessee from its obligations under the Agreement.

6.2. The Lessee shall be responsible for all losses and damages incurred by third parties due to the Lessee's failure to fulfil its obligations related to the proper maintenance of the Industrial Building in accordance with the current laws and regulations.

6.3. Each Party shall bear its own expenses related to the preparation and signing of the Agreement. The Lessee shall bear all expenses related to the registration of this Agreement in the Land Register.

7. Agreement Term

7.1. This Agreement shall come into force upon its signing and shall remain in effect for 30 (thirty) years, i.e. until ___ ___________ 2056, with the possibility of extending the term, where such extension is permitted by law. The Lessee shall have the preferential right to extend the term of the Agreement under the same conditions as those that were in place on the last day of the Agreement. The Lessee shall notify the Lessor in writing at least 6 (six) months prior to the expiration of the lease term, indicating that it wishes to exercise this right.

7.2. The Lessee shall have the right to unilaterally terminate the Agreement by giving the Lessor at least 6 (six) months' prior written notice and compensating the Ventspils Municipality for all losses incurred due to the fault of the Lessee.

7.3. The Lessor shall have the right to withdraw from the Agreement unilaterally by giving the Lessee at least 2 (two) months' prior notice in writing, without compensating the Lessee for any losses arising from the early termination of the Agreement or reimbursing any expenses incurred by the Lessee in relation to the Industrial Building or the area in cases where:

- 7.3.1. the Industrial Building or the area is damaged due to the Lessee's actions;
- 7.3.2. The Lessee has been late with at least three payments, with the total period of delay exceeding two payment periods, including failure by the Lessee to make real estate tax payments or reimbursement thereof, or to pay any other costs stipulated in the Agreement;
- 7.3.3. the Lessee has failed to comply with the sublease restrictions outlined in Clause 3.10 of the Agreement;
- 7.3.4. the Lessee has failed to maintain general liability insurance required under Clause 3.16 of the Agreement;
- 7.3.5. the Lessee has failed to rectify the non-conformities identified during the inspection of the Industrial Building within the time limits agreed between the Parties;
- 7.3.6. the Lessee has failed to comply with the obligations outlined in Clause 5 of the Agreement.

7.4. If the Lessor has reasonable doubts as to the Lessee's ability to comply with the requirements outlined in Clause 5.3 of the Agreement (including Clauses 5.10, 7.3.2, and 7.3.6 of the Agreement), the Lessor shall have the right to terminate the Agreement unilaterally by giving the Lessee 2 (two) months' prior notice in writing and specifying a deadline by which the Lessee may provide evidence demonstrating its ability to comply with the requirements outlined in Clause 5.3 of the Agreement. If the Lessee has failed to provide such evidence by the specified deadline or the Lessor has not found it sufficient, the Agreement shall be deemed terminated on the date indicated in the notice.

7.5. Instead of terminating the Agreement, the Lessor may, in the event of material breaches of the Agreement, except for breaches of the provisions referred to in Clause 5.2 and Sub-clause 7.3.2 of the Agreement, impose a contractual penalty of 10% of the Rent applicable during the preceding year, provided that the breaches have not been remedied within the time limit specified by the Lessor. When determining the contractual penalty, the Lessor shall take into account the duration and severity of the breach and shall act reasonably and appropriately. The application of this provision shall not affect the Lessor's right to seek compensation through the courts for any losses incurred as a result of non-compliance with the terms of the Agreement.

7.6. If a Lessee's shareholder, member of the Executive Board or the Supervisory Board, or any other authorised representative of the Lessee, or any affiliated legal or natural person authorised to represent the Lessee in matters related to the Lease Property is subject to international or national sanctions in accordance with the Law on International Sanctions and National Sanctions of the Republic of Latvia, and those imposed sanctions affect the performance of the Agreement or directly and significantly restrict the Lessee's economic activity (i.e. insofar as the Lessee is prohibited or restricted by these sanctions from entering into transactions, taking actions, or otherwise exercising rights and fulfilling obligations or liabilities), the Agreement shall be terminated by means of a reasoned notice of termination to the Lessee, specifying the applicable sanction due to which the Agreement is terminated and the date on which the Agreement is to be terminated. In such a case, the Lessee shall compensate the Lessor for all losses, to the extent that such losses have arisen due to the fault of the Lessee.

7.7. During the term of the Agreement, the Lessee shall ensure that its operations comply with all applicable regulatory requirements, including, but not limited to, those related to fraud, corruption, sanctions (as defined in the Law on International Sanctions and National Sanctions of the Republic of Latvia or sanctions imposed by a member state of the European Union or the North Atlantic Treaty Organization affecting significant financial and capital market interests), and the prevention of money laundering and terrorism financing.

7.8. The Lessee shall immediately notify the Lessor of any changes in its governance structure, including changes to beneficial owners, shareholders, members of the Executive Board and the Supervisory Board, and the authorised representatives of the capital company.

7.9. The Lessor may terminate the Agreement if the Lessee is declared insolvent, ceases its operations, or is subject to liquidation proceedings.

7.10. The Lessor shall have the right to withdraw from the Agreement unilaterally by giving the Lessee at least three months' prior notice in writing, without compensating the Lessee for any losses arising from the early termination of the Agreement if the Lease Property is required to satisfy public needs or to perform public functions established by applicable laws and regulations.

7.11. If the Lessor unilaterally withdraws from the Agreement in the case referred to in Clause 7.4 of the Agreement, the Lessor shall compensate the Lessee for the necessary and useful expenses in accordance with the provisions of the Civil Law and this Agreement.

7.12. Upon expiry or termination of the Agreement, the Lessee shall return the Industrial Building to the Lessor in a clean and good technical condition, subject to fair wear and tear, and shall leave the area clean and properly maintained.

7.13. The Lessee shall vacate the Industrial Building and the area within 3 (three) months after the expiry of the Agreement or within the time limit specified in the Lessor's notification of termination. If the Lessee has failed to vacate the Industrial Building and the area within 3 (three) months after the expiry of the Agreement or within other time limit specified in the Lessor's notification, the property left behind shall be considered abandoned, and the Lessor shall have the right to dispose of it at its sole discretion.

7.14. The Lessee shall pay the Rent and other payments under the Agreement for the period from the expiry of the Agreement until the Industrial Building and the area have been actually vacated.

7.15. Compensation for inseparable improvements that remain in the Industrial Building may be claimed by the Lessee only at the end of the term of the Agreement and only if the value and nature of those improvements have been agreed upon in writing with the Lessor and the Lessor has provided a written consent to compensate for them. When determining the compensation for inseparable improvements, the Lessor shall take into account the depreciation of the improvements.

7.16. If the Agreement has been recorded in the Land Register, the Lessee shall, upon early termination of the Agreement, have the obligation, upon the Lessor's request, within 10 (ten) working days, to submit a notarially certified application for the removal of the Lease Rights from the Land Register.

8. Special Provisions

8.1. The Parties shall be released from liability for non-performance or improper performance of the contractual obligations, as well as for compensation for any losses and/or damage which have occurred due to Force Majeure (acts of God), such as floods, strikes, government decisions, pandemic, etc.

8.2. The Parties shall promptly inform each other of the occurrence of Force Majeure events and take all possible measures to fulfil their contractual obligations and prevent or rectify any possible damages or losses.

8.3. The provisions of the Agreement may be amended or changed upon a mutual written agreement between the Parties, which after its signing shall become an integral part of the Agreement.

8.4. Any dispute, controversy, or claim arising out of this Agreement or relating to its performance, breach, termination, or validity shall be resolved by the Parties through mutual agreement. Disputes that cannot be resolved through negotiations shall be settled in accordance with the procedures laid down in the applicable laws and regulations of the Republic of Latvia.

8.5. This Agreement and the Annexes thereto, including the Auction Rules, shall constitute the entire agreement between the Parties with respect to the subject matter of the Agreement. This shall supersede all prior agreements or negotiations regarding the subject matter of the Agreement.

8.6. The obligations under this Agreement and their performance shall be binding upon the successors to the rights and obligations of the Parties.

8.7. The headings of the clauses in the Agreement are used for convenience only and do not affect the interpretation of the provisions of the Agreement.

8.8. Annexes to the Agreement:

8.8.1. Annex 1 – Layouts of the Area and the Premises of the Industrial Building to be Leased in accordance with Annex 1 to the Auction Rules

8.8.2. Annex 2 – Certificate on the Handover and Acceptance of the Industrial Building (to be prepared in accordance with Clause 1.5 of the Agreement)

8.9. The Agreement, including the Annexes thereto, has been drawn up and executed in the Latvian language on ___ (_______) pages and signed with a secure electronic signature containing a time stamp.

9. Signatures and Details of the Parties

Name of the company	**LESSOR** Ventspils State City Municipality Institution "Ventspils osta" [Port of Ventspils]	**LESSEE**
Unified registration number	40900035086	
Address	*Ostas iela 23*, Ventspils, LV-3601	
Name of the bank	AS Luminor Bank	
Bank code	RIKOLV2X	
Bank account No.	LV94RIKO0002930319234	

Head of the Ventspils State City Municipality Institution "Ventspils osta" [Port of Ventspils]

/electronic signature/ Imants Sarmulis	/electronic signature/

THE AGREEMENT HAS BEEN SIGNED ELECTRONICALLY WITH SECURE ELECTRONIC SIGNATURES AND CONTAINS A TIME STAMP

Layouts of the Area and the Premises of the Industrial Building to be Leased