The *Saeima*1 has adopted and

the President has proclaimed the following law:

**Share Buy-back Law**

**Chapter I**

**General Provisions**

**Section 1. Purpose of the Law**

The purpose of this Law is to protect the interests of shareholders in relation to a share take-over offer or a request to buy back shares in such joint-stock company the shares of which have been admitted to trading on a regulated market (hereinafter – the company) and to ensure the supervision of share buy-back.

**Section 2. Scope of Application of the Law**

(1) The provisions of this Law in relation to a share take-over offer (hereinafter also – the offer) shall be applied to the company the shares of which have been admitted to trading:

1) on a regulated market in Latvia;

2) on a regulated market in Latvia and a regulated market in another European Union Member State or country of the European Economic Area (hereinafter – the Member State) but the shares have been admitted to trading on a regulated market in Latvia before admission to trading on a regulated market in another Member State;

3) concurrently on a regulated market in Latvia and in another Member State if the company has chosen the Financial and Capital Market Commission (hereinafter – the Commission) as the responsible institution in the supervision of the offer.

(2) The provisions of this Law in relation to informing the employees of the company, determination of the proportion of voting rights necessary for obtaining control, exemptions from expressing a mandatory offer, prohibition to disturb the course of the offer, the procedures for the disposal of shares not admitted to trading on a regulated market, final share buy-back, and request of minority shareholders to buy back shares shall be applied to the company the legal address of which is in Latvia.

(3) The provisions of this Law shall not be applied to the investment shares issued by the manager of the alternative investment fund.

**Section 3. Terms Used in the Law**

The terms used in this Law correspond to the terms used in the Financial Instrument Market Law, unless it has been laid down otherwise in this Law.

**Chapter II**

**Mandatory Offer in Case of Obtaining Control**

**Section 4. Expressing of a Mandatory Offer**

(1) An offer addressed to other shareholders to buy back the shares belonging to them shall be expressed by a person or persons acting in concert if they directly or indirectly obtain at least 30 per cent of the voting rights arising from the company shares (hereinafter – the voting rights of the company).

(2) The provisions of this Law and the Financial Market Instrument Law shall be applied to determination of the proportion of voting rights obtained.

(3) A person or persons acting in concert shall, within 15 days after obtaining the proportion of the voting rights of the company referred to in Paragraph one of this Section, submit documents to the Commission in order to obtain a permit to express a mandatory offer (hereinafter also – the offer documents).

(4) Paragraph three of this Section shall not apply to a person or persons acting in concert if they do not exercise the obtained voting rights within 15 days after setting in of the circumstances referred to in Paragraph one of this Section and reduce the proportion of voting rights below 30 per cent of the voting rights of the company.

(5) If a person or persons acting in concert, in accordance with other laws and regulations, require to obtain a decision of the Competition Council or another State authority on the permit to obtain a specific proportion of shares or voting rights, they shall, within 15 days after obtaining the relevant decision, submit the documents referred to in Paragraph three of this Section to the Commission. They shall, within the time period specified in Paragraph three of this Section, inform the Commission of turning to the Competition Council or another State authority in order to receive the permit.

**Section 5. Persons Acting in Concert**

(1) Such persons shall be considered as persons acting in concert who cooperate among themselves or with the company according to the agreement in order to directly or indirectly obtain at least 30 per cent of the voting rights in the company or to frustrate the offer.

(2) Regardless of the provisions of Paragraph one of this Section regarding persons acting in concert, they shall be regarded as shareholders of the company if they are:

1) natural persons and persons under their guardianship;

2) spouses;

3) ascending and descending relatives up to the first degree;

4) commercial companies which are controlled by the same person;

5) the commercial company and members of its board.

(3) The persons referred to in Paragraph two of this Section shall be considered as persons acting in concert if they do not prove non-existence of action in concert to the Commission.

**Section 6. Exemption from Expressing the Offer**

(1) The mandatory offer need not be expressed if a person or persons acting in concert directly or indirectly obtain the proportion of voting rights referred to in Section 4, Paragraph one of this Law:

1) in a voluntary offer expressed in relation to all shares of the company for a price that is not lower than the price specified in Section 9 of this Law;

2) in the offer referred to in Section 14 of this Law;

3) without changing the person who exercises the final control over a person having at least 30 per cent of the voting rights of company;

4) in making a short-term investment without the intention to participate in management of the company, if the investment is made by acquiring shares of the company for the trading portfolio of the credit institution or investment firm, or the credit institution or investment firm has acquired the shares of the company by signing up to shares of a new issue with the purpose of selling them to its clients, and the proportion of voting rights of the credit institution or investment firm becomes less than the proportion of voting rights specified in Section 4, Paragraph one of this Law within six months after the day of reaching such proportion of voting rights;

5) as a result of merger of shareholders – legal persons – of the company if the proportion of voting rights decreases below the proportion of voting rights specified in Section 4, Paragraph one of this Law within six months from the day of entering into effect of reorganisation;

6) in exercising the pledge rights or another security if the proportion of voting rights decreases below the proportion of voting rights specified in Section 4, Paragraph one of this Law within six months from the day of reaching this proportion of voting rights;

7) before admission to trading of the company shares on a regulated market if information on the proportion of voting rights of the company of a person or persons acting in concert has been indicated in the prospectus regarding admission of shares to trading on a regulated market;

8) as a result of inheriting if the proportion of voting rights of the heir decreases below the proportion of voting rights specified in Section 4, Paragraph one of this Law within two years from the day when the heir obtains the voting rights arising from the inherited shares and the heir does not increase the proportion of its voting rights within this period of time;

9) if resolution tools have been applied to the company in accordance with the Law on Recovery of Activities and Resolution of Credit Institutions and Investment Firms;

10) as a result of application of the methods of legal protection proceedings of the company;

11) if another person or persons acting in concert directly or indirectly have a larger proportion of voting rights.

(2) If the circumstances referred to in Paragraph one, Clause 11 of this Section change, in another person or persons acting in concert decreasing the proportion of their voting rights, the person or persons acting in concert need not express the mandatory offer if the proportion of their voting rights becomes smaller than the proportion of voting rights specified in Section 4, Paragraph one of this Law within six months from the day when the circumstances referred to in Paragraph one, Clause 11 of this Section no longer exist.

(3) If a person obtains at least 30 per cent of the voting rights of the company, in addition to the information referred to in Section 61.2, Paragraph three of the Financial Instrument Market Law it shall be indicated in the notification regarding obtaining of major holding whether the person plans to use the exemption specified in Paragraph one of this Section from expression of the mandatory offer.

**Section 7. Restrictions in Case of Non-conformity with the Provisions of the Offer**

(1) If the obligation to express a mandatory offer has set in for a person or persons acting in concert in accordance with that specified in Section 4 of this Law, they may not exercise the voting rights obtained directly or indirectly if the mandatory offer is not expressed in accordance with the procedures provided for in this Chapter.

(2) The total number of shares with decision-making rights shall be calculated at the meeting of shareholders by subtracting the number of the shares which are subject to the prohibition to exercise the voting rights arising therefrom from the number of all shares with voting rights.

(3) The decision of the meeting of shareholders which has been taken through the exercise of voting rights contrary to the provisions of Paragraph one of this Section shall be void, and no entries in public registers may be requested on the basis of such decision.

(4) In examining a case regarding recognition of a decision of the meeting of shareholders as invalid, a court shall invite the participation of the Commission so that the latter would provide an opinion in the case according to its competence and would represent the rights of shareholders.

(5) A person may resume the exercise of the voting rights referred to in Paragraph one of this Section after the end of the offer or the decrease of the proportion of voting rights below the proportion specified in Section 4, Paragraph one of this Law. The moment when the offerer has settled accounts for the shares obtained shall be considered as the moment of the end of the offer.

**Section 8. Remuneration for Shares**

(1) The offerer shall offer a fair remuneration in the mandatory offer in accordance with the provisions of Sections 9, 10, 11, and 12 of this Law.

(2) Remuneration for shares shall be disbursed in cash. The offerer may in addition offer other transferable securities as an alternative for remuneration in cash (hereinafter – the exchange).

**Section 9. Setting of the Share Price**

(1) The share price in the mandatory offer may not be lower than the highest price for which a person or persons acting in concert have obtained shares of the company within the last 12 months before the obligation to express a mandatory offer has set in (hereinafter – the transaction price).

(2) If, within 12 months before the obligation to express a mandatory offer has set in, there have been no transactions for the acquisition of shares of the company, shares have been obtained in a transaction without remuneration or another transaction in which the price for the acquisition of shares of the company has not been determined, the share price in the mandatory offer may not be lower than the weighted average share price specified in Section 10 of this Law and the share balance sheet value specified in Section 11 of this Law.

(3) If, within 12 months before the obligation to express a mandatory offer has set in, the highest transaction price has been set upon mutual agreement of the buyer (offerer) and the seller outside a trading site, shares have been obtained as a result of a market manipulation or the use of inside information and also other circumstances objectively attesting to the non-conformity of the highest transaction price with Section 8, Paragraph one of this Law have been established, the share price in the mandatory offer may not be lower than the highest transaction price specified in Paragraph one of this Section, the weighted average share price specified in Section 10 of this Law, and the share balance sheet value specified in Section 11 of this Law.

(4) If the company has shares of different categories, the price of a buy-back share shall be determined for each category of shares individually.

(5) If a person or persons acting in concert, from the day of submitting the documents of the offer until the end of the time period of the offer which has been determined in accordance with Section 17 of this Law, enter into a transaction for the acquisition of shares of the company for a price that is higher than the price set in the offer, the price of this transaction shall become the offer price.

(6) If a person or persons acting in concert submit the documents of the offer to the Commission after the time period specified in Section 4, Paragraph three of this Law, the period for setting of the share buy-back price shall be calculated from the day when the documents of the offer are submitted to the Commission.

**Section 10. Weighted Average Price of a Share**

(1) Automatically matched transactions on a regulated market or in the multilateral trading facility in which there had been the largest turnover with a share within the last 12 months before the obligation to express a mandatory offer has set in shall be taken into account in the calculation of the weighted average price of the share. Automatically matched transactions entered into on a regulated market or in the multilateral trading facility shall be taken into account in determination of the turnover of shares. Within the meaning of this Section, automatically matched transaction is a transaction which is executed in the trading system of the trading site, using automatic matching of tasks (process in the trading system of the trading site in which sales and purchase orders are automatically matched when the price, amount, and other conditions of the particular order conform to an opposite order or orders previously entered in the trading system).

(2) The weighted average price of a share shall not be applied if, in accordance with Paragraph one of this Section, the turnover of shares of the company within 12 months before the obligation to express the mandatory offer has set in is less than one per cent of the capitalisation of the company. Capitalisation of the company shall be determined, multiplying the total number of shares of the company with the price of the last automatically matched transaction of such shares on the last day of the period for the calculation of the turnover of shares of the company.

(3) The weighted average price of a share need not be applied if such circumstances have been established which have objectively affected the weighted average price of the company and due to which the weighted average price of the share does not conform to that specified in Section 8, Paragraph one of this Law.

**Section 11. Share Balance Sheet Value**

(1) The share balance sheet value shall be calculated, dividing the equity of the company by the total number of shares. The equity shall be calculated, subtracting the liabilities of the company from the total assets. In the calculation of the share balance sheet value, the value of the shares belonging to the company and indicated in the total assets shall be subtracted from the total assets and also the number of the shares belonging to the company shall be subtracted from the total number of shares.

(2) In the calculation of the share balance sheet value, data from the last annual statement of the company regarding which an opinion of a sworn auditor or a commercial company of sworn auditors with or without objections has been provided shall be used.

(3) If, after the annual statement referred to in Paragraph two of this Section, the company has prepared a more up-to-date audited annual statement which does not conform to the requirements of Paragraph two of this Section or an interim report on the first six months of the reporting year, or financial information on the first three or nine months of the reporting year, the most up-to-date of them shall be used in the calculation of the share balance sheet value if, as a result of such calculation, the balance sheet value of the share exceeds such balance sheet value of the share which has been set in accordance with Paragraph two of this Section.

(4) If the company has the obligation to prepare an audited annual statement, an interim statement on the first six months of the reporting year, or consolidated financial information on the first three or nine months of the reporting year, the consolidated data shall be used in setting of the balance sheet value of the buy-back share. Non-controlling interests shall not be taken into account in the calculation of the balance sheet value of the share. Within the meaning of this Section, the term “non-controlling interests” shall conform to the term “non-controlling interest” used in the International Financial Reporting Standard 10 (IFRS) *Consolidated Financial Statements* referred to in Annex to Commission Regulation (EU) No 1254/2012 of 11 December 2012 amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard 10, International Financial Reporting Standard 11, International Financial Reporting Standard 12, International Accounting Standard 27 (2011), and International Accounting Standard 28 (2011).

(5) If the company has shares of different categories, the value of the balance sheet value of the buy-back share shall be calculated according to the rights corroborated in shares to the receipt of the liquidation quota.

**Section 12. Approval of Another Share Buy-back Price**

(1) Upon request of the offerer, the Commission may approve in the mandatory offer a share buy-back price which is different from the price set in accordance with Section 9 of this Law if any of the following circumstances has set in:

1) none of the methods for setting the share buy-back price referred to in Section 9 of this Law are applicable;

2) there are emergency circumstances which do not depend on the actions of the offerer and which have resulted in long-term impact on the share value of the company and the share buy-back price which has been set in accordance with Section 9 of this Law does not conform to that provided for in Section 8, Paragraph one of this Law.

(2) In the case referred to in Paragraph one of this Section, the offerer shall submit to the Commission a calculation of the share value prepared by an independent expert in accordance with the international valuation standards approved by the International Valuation Standards Council. In the case referred to in Paragraph one, Clause 2 of this Section, the offerer shall additionally submit evidence to the Commission regarding emergency circumstances due to which the share buy-back price is set notwithstanding the principles of setting share price included in Section 9 of this Section.

(3) If the Commission concludes that the circumstances referred to in Paragraph one of this Section for approval of another share price do not exist, the Commission shall act in accordance with that specified in Section 25, Paragraph two of this Law.

**Section 13. Rights of a Shareholder to Request Share Buy-back**

(1) If a person or persons acting in concert have reduced the proportion of voting rights of the company below the proportion specified in Section 4, Paragraph one of this Law, other shareholders have the right to request that such person or persons buy back the shares belonging to them after the Commission has taken the decision referred to in Section 44, Paragraph one of this Law (hereinafter in this Section – the decision).

(2) Buy-back of shares may be requested by a shareholder which owned the shares on the day when the decision was taken. The shareholder may request buy-back of shares in such number which does not exceed the number of shares owned thereby on the day when the decision was taken. The share buy-back price shall be determined in accordance with Section 9 of this Law, counting the period for determination of the price from the day when the decision was taken.

(3) The shareholder may request buy-back of shares within 18 months from the day when the decision entered into effect.

(4) If the obligation referred to in the decision lies with persons acting in concert, they shall be solidarily responsible for the buy-back of shares.

**Chapter III**

**Other Types of Offer**

**Section 14. Offer if Shares are Excluded from a Regulated Market**

(1) The meeting of shareholders may take the decision on exclusion of shares of the company from a regulated market with at least three quarters of votes of the present shareholders with voting rights unless a larger number of votes has been specified in the articles of association.

(2) Concurrently with the decision on exclusion of shares of the company from a regulated market, the meeting of shareholders shall approve the person who will express the offer to buy back shares of the company owned by the shareholders of the company from them. The person who will express the offer will be approved by his or her written consent.

(3) The offer shall be expressed in relation to the shares of the company which are planned to be excluded from a regulated market. The offerer may also express an offer in relation to other shares of the company.

(4) A list of such shareholders shall be appended to the decision on exclusion of shares of the company from a regulated market which voted for this decision in the meeting of shareholders. Shareholders which have voted for the exclusion of shares from a regulated market may not dispose the shares until expiry of the time period of the offer.

(5) A person who has not voted in the meeting of shareholders for exclusion of shares of the company from a regulated market may accept the offer.

(6) An offer may be expressed if the documents to receive a permit to express an offer have been submitted to the Commission within 10 working days from the day when the decision of the meeting of shareholders on exclusion of shares of the company from a regulated market has been taken. Another time period for the submission of documents which does not exceed 20 working days from the day of taking the decision of the meeting of shareholders may be determined in the meeting of shareholders.

(7) The share price in the offer may not be less than the weighted average price of a share specified in Section 10 of this Law and the share balance sheet value specified in Section 11 of this Law. The share buy-back price in the offer shall be determined and approved in accordance with the provisions of Section 8, Paragraph one, Section 9, Paragraph four, and Sections 10, 11, and 12 of this Law.

(8) The meeting of shareholders may, only in case when the offer referred to in this Section has been expressed, decide on reorganisation of the company after which all shares of the company will be excluded from a regulated market.

(9) Shares of the company shall be excluded from a regulated market after the end of the offer. A regulated market operator shall exclude shares from a regulated market on the basis of a submission of the company.

(10) An offer need not be expressed if, concurrently with the decision on exclusion of shares from a regulated market, the meeting of shareholders of the company takes the decision on inclusion of shares in the multilateral trading facility. In such case, a shareholder may request that the company buys back shares in accordance with that specified in Section 41 of this Law.

**Section 15. Voluntary Offer**

(1) A person may voluntarily express an offer to buy back shares.

(2) Unless the offerer determines in the prospectus the maximum number of shares or also a specific category of shares which it plans to buy back, it is considered that the person expresses the voluntary offer to all shares of the company.

(3) The minimum number of shares in relation to which the voluntary offer is expressed may be set in the prospectus. If shareholders of the company accept the offer in relation to the number of shares which does not reach the minimum number of shares indicated in the offer prospectus, the voluntary offer shall not be in effect.

(4) If shareholders of the company accept a voluntary offer in relation to such an amount of shares which exceeds the maximum number of shares indicated in the offer prospectus, the offerer shall buy back the shares in proportion from all the shareholders of the company which have accepted the offer. The total number of the shares bought back may not be less than the maximum number of shares indicated in the offer prospectus.

**Section 16. Competing Offer**

(1) A competing offer is a voluntary offer expressed for shares of the company while another offer in relation to these shares is in effect.

(2) If a competing offer has been expressed, the time period of the initial offer may be extended up to the expiry of the time period of the competing offer.

**Chapter IV**

**Procedures for Expressing an Offer**

**Section 17. Time Period of an Offer**

(1) The time period of an offer may not be shorter than 14 days and longer than 70 days, counting from the day of publishing the prospectus on the website of a regulated market operator.

(2) A shareholder which has accepted the offer may revoke it not later than three days before expiry of the time period of the offer.

**Section 18. Prohibition against Hindering the Procedure of a Share Take-over Offer**

(1) Members of the supervisory board and executive board of the company shall act in the interests of the company and they are prohibited from hindering successful course of an offer.

(2) From the moment when, in accordance with that specified in Section 20 of this Law, information on the offer is published until expiry of the time period of the offer, a consent of the meeting of shareholders shall be necessary for the actions of the supervisory board and executive board which may hinder successful course of an offer. Consent shall not be required for seeking of a competing offer.

(3) Consent of the meeting of shareholders shall be necessary in relation to decisions of the supervisory board and executive board which have been taken before the time period referred to in Paragraph two of this Section and in case if such decisions have not been enforced, they have not been taken within the scope of the regular commercial activity of the company, and the implementation thereof may disrupt the offer.

(4) A notification regarding the meeting of shareholders in which the provisions of Paragraphs two and three of this Section are examined shall be declared at least 14 days before such meeting.

(5) The company is prohibited within the time period of the offer:

1) to issue new shares;

2) to issue convertible bonds;

3) to change the denomination of the shares of the company;

4) to join and divide share issues of the company.

**Section 19. Non-eligibility of Disposal of Shares and Restriction of Voting Rights to an Offer**

(1) The company the legal address of which is in Latvia may provide for the following in the articles of association:

1) the restrictions on disposal of shares specified in the articles of association of the company, the contracts of the company and its shareholders and also mutual contracts of shareholders shall not be applied within the time period of the offer in relation to the offer;

2) the restrictions on voting rights specified in the articles of association of the company, the contracts of the company and its shareholders and also mutual contracts of shareholders shall not be applied in the meeting of shareholders in which it is decided upon the matters specified in Section 18, Paragraphs two and three of this Law;

3) the restrictions referred to in Paragraph one, Clauses 1 and 2 of this Section and also the extraordinary rights specified in the articles of association of the company for any of the shareholders to elect members of the supervisory board in the office or remove them from the office shall not be applied in the first meeting of shareholders which has been convened upon request of the offerer in order to decide on election of members of a new supervisory board or making of amendments to the articles of association, if after conclusion of the offer the offerer has at least 75 per cent of the voting rights.

(2) A notification regarding the meeting of shareholders referred to in Paragraph one, Clause 3 of this Section shall be announced at least 14 days before this meeting.

(3) The offerer shall disburse a remuneration to the person whose rights have been restricted in accordance with Paragraph one of this Section. If parties fail to agree on the amount of the remuneration, it shall be determined by a court.

(4) The provisions of Paragraph one, Clauses 2 and 3 of this Section in relation to restrictions on voting rights shall not be applied to shares for which a corresponding material compensation is intended.

(5) If the meeting of shareholders has taken the decision on inclusion of the provisions referred to in Paragraph one of this Section in the articles of association of the company, the company shall, without delay, inform thereof the Commission and the supervisory authorities of such Member States on a regulated market of which shares of the company have been admitted to trading.

**Section 20. Disclosure of Information on an Offer**

(1) A person who plans to express an offer and has carried out all activities in order to make the offer executable shall, without delay, inform the company thereof.

(2) The company shall, without delay, send the information referred to in Paragraph one of this Section on the planned offer of the person to the official centralised storage system of regulated information.

**Section 21. Documents to Obtain a Permit to Express an Offer**

(1) In order to obtain a permit to express an offer, the offerer shall submit the following documents to the Commission:

1) a prospectus, in addition submitting its electronic version if the prospectus has been submitted in paper form;

2) a document which certifies registration of the legal person and includes information on the persons with the right to represent it if the legal address of the offerer is not Latvia;

3) a document certifying the sufficiency of resources for the fulfilment of the liabilities provided for in the offer;

4) a permit of the Competition Council or another State authority for the acquisition of a specific proportion of shares or voting rights if obtaining of such permit is necessary in accordance with other laws and regulations or a certification provided by the offerer that such permit is not necessary.

(2) If the offer referred to in Section 4 or 14 of this Law or the voluntary offer referred to in Section 15 of this Law is expressed and the offerer plans to use the exemption from expressing an offer referred to in Section 6, Paragraph one, Clause 1 of this Law, the offerer shall, in addition, submit a conformity assessment of the offer price.

(3) If an offer has been expressed in a case when shares are excluded from a regulated market, in addition the offerer shall submit:

1) an extract from the minutes of the meeting of shareholders in which shareholders which voted for exclusion of shares from a regulated market are indicated;

2) a document certifying the right of the offerer to express an offer.

(4) A document certifying insufficiency of resources is a written certification addressed to the Commission regarding the existence of resources or allocation of resources to the offerer for the fulfilment of liabilities provided for in the offer issued by a credit institution, investment firm, or an insurance company which is registered:

1) in Latvia or another Member State;

2) in a foreign country if the Commission has entered into a cooperation agreement on the exchange of information with the relevant foreign supervisory authority.

(5) The Commission may request the provision of other information which is related to the rights or obligations specified in this Law.

**Section 22. Offer Prospectus**

In order to ensure shareholders of the company with information on an offer, the offerer shall prepare a prospectus. The following shall be indicated in the prospectus:

1) the firm name, registration number, legal address, and website address of the company;

2) information on the offerer:

a) for a natural person – the given name, surname, personal identity number or date of birth (if there is no personal identity number);

b) for a legal person – the firm name, registration number, legal form, and legal address;

3) the information referred to in Clause 2 of this Section on persons acting in concert with the offerer or the company;

4) the relationship of the persons acting in concert with the offerer and, if possible, with the company;

5) the proportion of directly and indirectly obtained voting rights of the offerer in the company;

6) the proportion of directly or indirectly obtained voting rights of the persons acting in concert in the company;

7) the type of the offer;

8) the grounds for expressing an offer with the reference to that specified in Section 4 or 14 of this Law;

9) the shares which are planned to be bought back in the offer and the International Securities Identification Number (ISIN) of the shares (if such has been allocated);

10) the minimum and maximum number of shares which the offerer undertakes to acquire (if such is intended);

11) the buy-back price of one share and the method used for the setting thereof, except for a voluntary offer;

12) information on transferable securities which are planned as remuneration for the shares of the company (if such is intended);

13) information on the procedures and time periods for the payment and exchange (if such is intended) of the shares of the company;

14) the time period of the offer;

15) the procedures by and the time period in which shareholders of the company may accept an offer and revoke the accepted offer, indicating separately the procedures in relation to the shares admitted to trading on a regulated market and the shares not admitted to trading on a regulated market;

16) the intentions of the offerer in relation to further activity of the company and employment of employees;

17) the intentions of the offerer in relation to further activity of the offerer, employment of its employees, and change of the commercial activity site of the offerer and the company if the offerer is a commercial company;

18) the offered amount of the remuneration to shareholders of the company the rights of which are restricted in accordance with that specified in Section 19, Paragraph one, Clause 3 of this Law, providing information on the way of disbursement of remunerations and indicating the method used in determination of the remuneration;

19) information on financing sources of the offer;

20) the legal acts which will govern the contracts entered into by the offerer and the shareholders of the company in relation to the offer and information on courts examining mutual disputes;

21) any significant information directly applicable to the offer or offerer and considered by the offerer or the Commission as necessary to be disclosed in a prospectus.

**Section 23. Recognition in Latvia of an Offer Prospectus Approved in Another Member State**

(1) If the supervisory authority of another Member State has approved an offer prospectus, the offerer is entitled to express an offer on shares admitted to trading on a regulated market in Latvia without conforming to the procedures laid down in this Law for obtaining a permit. In such case, the offerer shall prepare a translation of the prospectus in Latvian and send it to the regulated market operator which will post it on its website without delay.

(2) The Commission may request to supplement the prospectus with information characteristic to a regulated market in Latvia.

**Section 24. Disclosure of Information on Receipt of Documents of an Offer**

(1) After the Commission has received the documents of an offer, it shall, not later than on the following working day, post them on its website and notify the regulated market operator and the company of the information referred to in Section 22, Clauses 1, 2, 3, 4, 11, 12, and 14 of this Law.

(2) The company shall, without delay, send the information referred to in Paragraph one of this Section to the official centralised storage system of regulated information.

(3) The regulated market operator shall, without delay, post the information referred to in Paragraph one of this Section on its website.

**Section 25. Examination of the Documents of an Offer and Taking of a Decision**

(1) The Commission shall take the decision on permit or refusal to express an offer within 10 working days after receipt of all the documents referred to in Section 21 of this Law. If the price determination method referred to in Section 12 of this Law is used in the offer, the Commission shall take the decision within 30 working days.

(2) If all documents have not been submitted to the Commission or they do not conform to the requirements of the law but deficiencies can be eliminated, or the information necessary for taking a decision has not been submitted to the Commission, the Commission shall not decide on permit or refusal to express an offer within the time period specified in Paragraph one of this Section and shall inform in writing the offerer of the established deficiencies or the information to be submitted and also the time period for the elimination of deficiencies or submission of information. The Commission shall decide on permit or refusal to express an offer within 10 working days after receipt of all the documents and information requested in accordance with this Paragraph.

(3) The Commission shall, not later than on the following working day after taking of a decision, inform the offerer thereof.

(4) A shareholder of the company which does not agree to the share buy-back price approved in the offer may, within 18 months after the end of the offer, request the offerer to reimburse the difference in price. The court shall examine the case with participation of the Commission so that it would provide a statement in the case, according to the competence, and protect the interests of shareholders.

**Section 26. Disclosure of Information on Permit to Express an Offer**

(1) If, in accordance with Section 25, Paragraph one of this Law, the Commission takes the decision on permit to express an offer, it shall, without delay, post the prospectus and the notification on its website and send to the regulated market operator, the central securities depository in which the shares of the company have been recorded (hereinafter – the central securities depository), and also the company. The following shall be indicated in the notification:

1) the information referred to in Section 22, Clauses 1, 2, 3, 4, 11, 12, and 14 of this Law;

2) the time period of the offer and also the time period when the results of the offer will be announced and when the offer will end;

3) the minimum or maximum number of shares which is planned to be bought back by the offerer if a voluntary offer has been expressed.

(2) The central securities depository shall, without delay, send the prospectus to all members of the central securities depository in whose accounts in the central securities depository the shares of the company have been recorded.

(3) The company shall, without delay, send the notification and prospectus referred to in Paragraph one of this Section to the official centralised storage system of regulated information and also to the employees of the company or their representatives.

(4) The regulated market operator shall, without delay, post the notification and prospectus referred to in Paragraph one of this Section on its website.

(5) The offerer shall submit the information on the offer to the central securities depository in the amount and in accordance with the procedures stipulated thereby.

**Section 27. Disclosure of Information if the Commission Takes the Decision on Refusal to Express an Offer or Does not Decide on Permit or Refusal to Express an Offer**

(1) The Commission shall post the following information on its website and notify to the regulated market operator and the company:

1) that, in accordance with that specified in Section 25, Paragraph one of this Law, it has taken the decision on refusal to express an offer;

2) that, in accordance with that specified in Section 25, Paragraph two of this Law, it has established deficiencies that can be eliminated and has not taken a decision within the time period referred to in Section 25, Paragraph one of this Law.

(2) The company shall, without delay, send the information referred to in Paragraph one of this Section to the official centralised storage system of regulated information.

(3) The regulated market operator shall, without delay, post the information referred to in Paragraph one of this Section on its website.

**Section 28. Opinion of the Company on an Offer**

(1) The executive board of the company shall, within 10 days after a prospectus regarding expressing an offer has been published on the website of the regulated market operator, send an opinion on the offer to the official centralised storage system of regulated information and the regulated market operator, providing a special explanation regarding the impact of the offer on that specified in Section 22, Clauses 16 and 17 of this Law. The regulated market operator shall post the information on the opinion of the executive board of the company on its website.

(2) The executive board of the company shall, prior to making public its opinion, ascertain the opinion of employees of the company or their representatives on the possible impact of the offer on employment.

(3) If employees of the company or their representatives submit a separate opinion until making public of the opinion of the executive board, the executive board of the company shall append this opinion to the prepared opinion thereof.

**Section 29. Procedures for Amending the Provisions of an Offer**

(1) If there are at least five working days until the end of the time period of the offer, the offerer has the right:

1) to extend the time period of the offer without exceeding the limitation on the time period specified in Section 17 of this Law;

2) to amend the provisions of the offer which do not deteriorate the condition of other shareholders of the company and do not cause a less advantageous condition for the shareholders who have already accepted the offer.

(2) In order to amend the provisions of the offer, the offerer shall submit amendments to the offer and the new wording of the prospectus to the Commission. If the offerer increases the share price, it shall also submit a certification regarding sufficiency of resources.

(3) The Commission shall, within three working days after receipt of amendments to the offer prospectus, take the decision to grant permit or refusal to amend the provisions of the offer.

(4) Information on amending the provisions of the offer shall be disclosed in accordance with the procedures laid down in Section 26 of this Law, indicating the essence of amendments in the notification.

**Section 30. Procedures for Cancelling an Offer**

(1) The Commission may cancel an offer until the end of the time period of the offer if it establishes offences committed by the offerer which significantly infringe the interests of shareholders of the company.

(2) Information on cancelling the offer shall be disclosed in accordance with the procedures laid down in Section 26 of this Law, indicating in the notification the reasons for the cancellation of the offer.

**Section 31. Disposal of Shares in Favour of the Person Expressing an Offer**

(1) Buy-back or exchange of shares shall be performed within five working days after the end of the time period of the offer.

(2) Buy-back or exchange of the shares admitted to trading on a regulated market shall be performed according to the procedures stipulated by the central securities depository.

(3) Shares shall be transferred from the account of the person disposing the shares after the whole amount of money necessary for buy-back or exchange or transferable securities have been transferred to the money or financial instrument account indicated by the central securities depository.

(4) Payment for or exchange of such shares which have not been admitted to trading on a regulated market shall be made according to the procedures specified in the offer prospectus. Amendments to the register of shareholders of the company shall be made after the end of the offer on the basis of the document certifying payment for shares.

**Section 32. Reporting on the Results of an Offer**

(1) On the basis of the information provided by the central securities depository, the offerer shall, within five working days after the end of the time period of the offer, submit a report on the results of the offer to the Commission, the regulated market operator, and the company. The following shall be indicated in the report:

1) the information referred to in Section 22, Clauses 1 and 2 of this Law;

2) the number of shares offered for sale;

3) the total number of shares and the proportion of voting rights which will be at the disposal of the offerer after the end of the offer.

(2) If shareholders of the company have accepted the voluntary offer at an amount of shares which exceeds the maximum number of shares which the offerer has intended to buy back, as indicated in the offer prospectus, the offerer shall also indicate the coefficient of the proportional distribution in addition to the information referred to in Paragraph one of this Section.

(3) The company shall, without delay, send the report to the official centralised storage system of regulated information.

(4) The regulated market operator and the Commission shall, without delay, post the report on their website.

**Chapter V**

**Final Share Buy-back and Request of a Shareholder to Buy Back Shares**

**Section 33. Final Share Buy-back**

(1) A person who has directly or indirectly obtained at least 90 per cent of the voting rights of the company may buy back shares of the company belonging to other shareholders from them without consent of the abovementioned shareholders. Such buy-back of shares shall be considered to be a final share buy-back.

(2) If a person has obtained at least 90 per cent of the voting rights of the company in the mandatory offer and performs the final share buy-back within three months from the end of the time period of the mandatory offer referred to in Section 17 of this Law, shares may be bought back for the price that had been set in the mandatory offer.

(3) If a person has obtained at least 90 per cent of the voting rights of the company in the voluntary offer and performs the final share buy-back within three months from the end of the time period of the voluntary offer referred to in Section 17 of this Law, shares may be bought back for the price that had been set in the voluntary offer. The share buy-back price set in this offer shall be applied if it was offered to buy back all shares of the company in the voluntary offer and the person obtains at least 90 per cent of the shares included in the offer.

(4) If a person has not obtained at least 90 per cent of the voting rights of the company in the offers referred to in Paragraphs two and three of this Section or performs the final share buy-back after the time period specified in Paragraph two or three of this Section, the share buy-back price in the final share buy-back shall not be less than the highest transaction price specified in Section 9, Paragraph one of this Law, the weighted average price of a share specified in Section 10 of this Law, and the share balance sheet value specified in Section 11 of this Law. The share price shall be set in accordance with that specified in Section 8, Paragraph one, Section 9, Paragraph four, and Sections 10 and 11 of this Law. The period for setting the share price shall be calculated from the day when documents for obtaining a permit are submitted to the Commission.

(5) The entry date of the final share buy-back shall be the tenth working day after publishing the final share buy-back prospectus on the website of the regulated market operator.

(6) A person may not exercise the rights referred to in this Section if at least 90 per cent of the voting rights of the company have been directly or indirectly obtained at the moment when the shares of the company are admitted to trading on a regulated market.

(7) After the final share buy-back, the regulated market operator shall, on the basis of a submission of the company, take the decision on exclusion of shares of the company from the regulated market.

**Section 34. Documents to Receive a Permit for Performing the Final Share Buy-back**

(1) A person who wishes to perform the final share buy-back shall submit the following to the Commission:

1) the documents referred to in Section 21, Paragraphs one and two of this Law;

2) the documents certifying its right to perform the final share buy-back in accordance with Section 33 of this Law.

(2) The final share buy-back offer prospectus shall include at least the information referred to in Section 22, Clauses 1, 2, 5, 9, 11, and 13 of this Law.

**Section 35. Disclosure of Information on Receipt of Documents of the Final Share Buy-back**

(1) After documents have been submitted to the Commission to obtain a permit for performing the final share buy-back, it shall, not later than on the following working day, post it on its website and notify the regulated market operator and the company of the information referred to in Section 22, Clauses 1, 2, 11, and 13 of this Law.

(2) The company shall, without delay, send the information referred to in Paragraph one of this Section to the official centralised storage system of regulated information. If the final share buy-back applies to shares not admitted to trading on a regulated market, the company shall, without delay in a way provided for the notification regarding convening of a meeting of shareholders, forward the information referred to in Paragraph one of this Section to the shareholders which own the shares not admitted to trading on a regulated market.

(3) The regulated market operator shall, without delay, post the information referred to in Paragraph one of this Section on its website.

**Section 36. Examination of Documents of a Final Share Buy-back**

(1) The Commission shall examine the documents of the final share buy-back and take a decision in accordance with the procedures and within the time period referred to in Section 25 of this Law.

(2) A shareholder of the company which does not agree to the share buy-back price approved in the final share buy-back may, within 18 months after the end of the final share buy-back, request the person which performed the final share buy-back to reimburse the price difference. The court shall examine the case with participation of the Commission so that it would provide a statement in the case, according to the competence, and protect the interests of shareholders.

**Section 37. Disclosure of Information on the Decision Taken**

(1) Information on the decision taken by the Commission shall be disclosed in accordance with the procedures referred to in Sections 26 and 27 of this Law.

(2) If the Commission takes the decision on permit to perform the final share buy-back, it shall indicate the information referred to in Section 22, Clauses 1, 2, 11, and 13 of this Law in its notification and also in addition it shall post the decision on its website and send to the regulated market operator, the central securities depository, and the company.

**Section 38. Procedures for Amending and Cancelling the Provisions for the Final Share Buy-back**

(1) If there are at least five working days until the entry date of the final share buy-back, the person which performs the final share buy-back may amend the provisions for the final share buy-back if it does not deteriorate the condition of other shareholders of the company. The provisions of Section 29 of this Law shall be applied to amending the provisions for the final share buy-back.

(2) The provisions of Section 30 of this Law shall be applied to the cancellation of the final share buy-back.

**Section 39. Disposal of Shares in Favour of a Person who Performs the Final Share Buy-back**

(1) On the following working day after the entry date of the final share buy-back, the person who performs the final share buy-back shall transfer the financial resources necessary for the share buy-back to the money account of the central securities depository.

(2) Buy-back of the shares admitted to trading on a regulated market shall be performed according to the procedures stipulated by the central securities depository.

(3) Remuneration for those shareholders the shares of which, at the end of the settlement day of the entry date of the final share buy-back, are in the initial register of central securities depository, shall be transferred to the money account of the initial register of central securities depository.

(4) Payment for such shares which have not been admitted to trading on a regulated market shall be made according to the procedures specified in the offer prospectus. Amendments to the register of shareholders of the company shall be made after the end of the final share buy-back on the basis of documents certifying payment for shares. The final share buy-back shall end when the offerer has settled accounts for the shares obtained.

**Section 40. Request of a Shareholder for the Controlling Person to Buy Back Shares**

(1) If a person has directly or indirectly obtained at least 90 per cent of the voting rights of the company, each of other shareholders of the company may request that this person buys back the shares belonging to it.

(2) If the shareholder requests buy-back of shares within three months from the end of the time period of the offer referred to in Section 17 of this Law, the share buy-back price shall be determined in accordance with that specified in Section 33, Paragraphs two and three of this Law. In other cases the share buy-back price may not be less than the highest transaction price specified in Section 9, Paragraph one of this Law, the weighted average share price specified in Section 10 of this Law, and the share balance sheet value specified in Section 11 of this Law. The share price shall be set in accordance with that specified in Section 8, Paragraph one, Section 9, Paragraph four, and Sections 10 and 11 of this Law. The period for setting the share price shall be calculated from the day of expressing the request.

(3) If a person has not notified of obtaining 90 per cent of the voting rights in accordance with the procedures laid down in the Financial Instrument Market Law, shareholders of the company may request buy-back of shares for the price which was the highest price in the period when submission of the notification regarding obtaining of 90 per cent of the voting rights was missed.

(4) A shareholder may not implement the rights referred to in this Section if:

1) legal protection proceedings have been initiated or insolvency proceedings have been declared for the company;

2) at least 90 per cent of the voting rights of the company have been directly or indirectly obtained at the moment when the shares of the company are admitted to trading on a regulated market.

(5) The person referred to in Paragraph one of this Section shall settle accounts with a shareholder within a month from the day of receipt of the request.

**Section 41. Request of a Shareholder for the Company to Buy Back Shares if the Meeting of Shareholders Takes the Decision to Exclude Shares from a Regulated Market and to Include Them in the Multilateral Trading Facility**

(1) If the meeting of shareholders decides on exclusion of shares from a regulated market, the executive board shall provide information thereto on the multilateral trading facility in which it is planned to include shares, the share buy-back price, and the procedures for ensuring the rights of shareholders referred to in Paragraph five of this Section and also shall provide a certification regarding:

1) the agreement of the company with the operator of the multilateral trading facility on inclusion of shares in the multilateral trading facility;

2) financial resources for ensuring the rights of shareholders referred to in Paragraph five of this Section.

(2) A list of such shareholders shall be appended to the decision on exclusion of shares of the company from a regulated market which have voted in the meeting of shareholders against exclusion of shares from a regulated market and the number of shares owned by each of these shareholders shall be indicated.

(3) After the meeting of shareholders has taken the decision on exclusion of shares from a regulated market, the company shall, without delay, send the information referred to in the introductory part of Paragraph one of this Section to the official centralised storage system of regulated information and the regulated market operator and also shall, within 10 working days, submit the information referred to in Paragraphs one, two, and five of this Section to the Commission and the regulated market operator. The regulated market operator shall, without delay, post the information referred to in the introductory part of Paragraph one of this Section on its website.

(4) If the meeting of shareholders takes the decision referred to in Paragraph one of this Section, a shareholder may, within three months after taking of the decision, request that the company buys back the shares belonging to it which are planned to be excluded from a regulated market.

(5) A shareholder may request buy-back of shares in such amount which does not exceed the number of shares with which the shareholder has voted in accordance with Paragraph two of this Section when deciding on exclusion of shares from a regulated market. The share price may not be less than the weighted average share price specified in Section 10 of this Law and the share balance sheet value specified in Section 11 of this Law. The share price shall be set in accordance with that specified in Section 8, Paragraph one, Section 9, Paragraph four, and Sections 10 and 11 of this Law. The period for setting the share price shall be calculated from the day of taking the decision referred to in Paragraph one of this Section.

(6) The company shall settle accounts with shareholders within five working days after the end of the time period referred to in Paragraph four of this Section. After settling of accounts, the company shall inform the Commission and the regulated market operator of shareholders which have requested buy-back of shares from the company and shall submit a certification regarding settlement of accounts with these shareholders.

(7) The regulated market operator shall, after the end of the time period referred to in Paragraph four of this Section and settlement of accounts, exclude shares from a regulated market on the basis of a submission of the company.

**Section 42. Request of a Shareholder for the Company to Buy Back Shares if They are Excluded from a Regulated Market in Accordance with the Decision of the Commission or the Regulated Market Operator**

(1) If, for the violations of laws and regulations, the Commission takes the decision to exclude shares from a regulated market in accordance with the Financial Instrument Market Law or the regulated market operator takes the decision to exclude shares from a regulated market according to the provisions of the regulated market operator, a shareholder may request that the company buys back the shares owned thereby which have been excluded from a regulated market.

(2) A shareholder may request buy-back of shares in such number which does not exceed the number of shares owned thereby on the day when the decision referred to in Paragraph one of this Section was taken. The share price may not be less than the weighted average share price specified in Section 10 of this Law and the share balance sheet value specified in Section 11 of this Law. The share price shall be set in accordance with that specified in Section 8, Paragraph one, Section 9, Paragraph four, and Sections 10 and 11 of this Law. The period for setting the share price shall be calculated from the day of taking the decision referred to in Paragraph one of this Section.

(3) A shareholder may exercise the right to request share buy-back within three months from the day of taking the decision referred to in Paragraph one of this Section. The shareholder referred to in Section 4, Paragraph one of this Law does not have the right to request share buy-back.

(4) The company shall, after the end of the time period referred to in Paragraph three of this Section, settle accounts concurrently with all shareholders which have requested share buy-back from the company. The company shall settle accounts within five working days after the end of the time period referred to in Paragraph three of this Section.

(5) The rights provided for in this Section to request share buy-back shall not restrict the rights of shareholders to request reimbursement of losses.

**Chapter VI**

**Supervision**

**Section 43. Institution Responsible for Supervision**

(1) The fulfilment of the requirements of this Law shall be supervised by the Commission.

(2) If shares of the company are concurrently admitted to trading on regulated markets in several Member States, the company shall determine the supervisory authority of which Member State will supervise the offer. The company shall notify the Commission and the regulated market operators of its choice on the first day when shares are admitted to trading on regulated markets of Member States.

(3) The Commission shall post the information referred to in Paragraph two of this Section on its website.

**Section 44. Decision of the Commission on the Obligation to Express an Offer**

(1) If the Commission takes a decision by which it establishes that a person or persons acting in concert have the obligation to express a mandatory offer, the abovementioned person or persons acting in concert shall express a mandatory offer within the time period stipulated by the Commission which does not exceed three months from the day of entering into effect of the decision.

(2) If the Commission takes the decision referred to in Paragraph one of this Section, it shall, without delay, post on its website and send to the company and also the regulated market operator the notification indicating the person or persons for whom the obligation to express a mandatory offer has set in and the highest known price for which the person or persons acting in concert have obtained shares of the company within the last 12 months before taking of the decision.

**Section 45. Contesting and Appeal of a Decision of the Commission**

(1) A decision of the Commission which has been issued in accordance with this Law may be appealed to the Administrative Regional Court. The court shall examine the case as the court of first instance. The case shall be reviewed in the composition of three judges. A judgement of the Administrative Regional Court may be appealed by submitting a cassation complaint.

(2) Contesting or appeal of the decision of the Commission referred to in Section 25, Paragraph one of this Law on permit or refusal to express an offer shall not suspend the operation of such decision.

(3) It shall, without delay, post the information on appeal of the decision of the Commission on its website and send to the company, the regulated market operator, and the central securities depository if appeal of the decision applies to an offer already expressed.

(4) The regulated market operator shall, without delay, post the information referred to in Paragraph three of this Section on its website, the company shall, without delay, send it to the official centralised storage system of regulated information, but the central securities depository shall, without delay, send it to all members of the central securities depository in the accounts of which with the central securities depository shares of the company have been recorded.

**Section 46. Statute of Limitation**

(1) The Commission is entitled to initiate a case not later than within five years from the day of committing the offence, but if the offence is continuous – from the day of ending the offence.

(2) Counting of the statute of limitation for the initiation of a case specified in Paragraph one of this Section shall be stopped from the day of when the proceedings have been initiated.

(3) The Commission may take the decision on imposition of the sanctions specified in this Law within two years from the day when the case has been initiated.

(4) Due to objective reasons, including if the case requires a protracted determination of facts, the Commission, by taking a decision, may extend the time period for taking of a decision specified in Paragraph three of this Section for a time period not exceeding three years from the day when the proceedings have been initiated. The decision on extending the time period shall not be subject to appeal.

(5) The Commission shall terminate the case if the decision on imposing the sanctions has not been taken within the time period specified in Paragraph three or four of this Section.

**Chapter VII**

**Liability**

**Section 47. Types of Sanctions**

The Commission may impose the following sanctions for the violations of this Law:

1) a public notice;

2) a warning;

3) a fine.

**Section 48. Imposing of Sanctions**

(1) If a person who has the obligation to express an offer in accordance with Section 4 of this Law fails to express it in accordance with specific procedures, the Commission may impose a fine of up to EUR 700 000 on the person.

(2) For other violations of this Law, the Commission may impose a public notice, warning, or fine of up to EUR 100 000 on the person responsible for the violation.

(3) In taking the decision to impose sanctions on the persons responsible for the violation and on the amount of a fine, the Commission shall take into account the circumstances referred to in the Law on the Financial and Capital Market Commission and also the measures taken by the person responsible for the violation to prevent the recurrence of the violation and to mitigate the possible systemic consequences of the violation and the extent of the damage caused to third parties thereby and also shall assess the proportionality, effectiveness, and deterrent nature of the applicable sanctions.

(4) The fine shall be transferred into the State budget.

**Section 49. Disclosure of Information on Imposing of Sanctions**

(1) The Commission shall post the information on the imposed sanction on its website, indicating information on the person and the offence committed thereby, and also on contesting of the decision taken by the Commission and the ruling made.

(2) If, after prior assessment, the Commission finds that the disclosure of data of such person on whom a sanction has been imposed is not commensurate or the disclosure of such data can endanger the stability of the financial market, examination of the relevant administrative case, or the course of the commenced criminal proceedings, the Commission is entitled to take one of the following actions:

1) to suspend publishing of the information referred to in Paragraph one of this Section on the sanctions imposed on the person until the moment when circumstances for suspending the publishing cease to exist;

2) to publish the information referred to in Paragraph one of this Section without identifying the person;

3) to not publish the information referred to in Paragraph one of this Section.

(3) The information posted on the website of the Commission on the offence shall be available for five years from the day of posting thereof.

**Transitional Provisions**

1. If a person or persons acting in concert acquire 30 per cent of shares of the company as a result of inheritance until the day of coming into force of this Law, the mandatory offer need not be expressed for two years from the day when the inherited shares have been recorded in the account of financial instruments or registered with the register of shareholders.

2. In relation to a person or persons acting in concert which, until 29 June 2016, have directly or indirectly obtained at least 30 per cent of the voting rights of the company but do not reach 50 per cent of the voting rights of the company, that specified in Section 4, Paragraph one of this Law shall apply from the day when they increase their holding above the level of holding obtained until 29 June 2016.

3. A shareholder may exercise the rights referred to in Section 12 of this Law if the decision of the Commission in which it establishes that the person has the obligation to express the mandatory share take-over offer in accordance with that specified in Section 4, Paragraph one of this Law has been issued not earlier than on 4 October 2017.

**Informative Reference to European Union Directives**

This Law contains norms arising from:

1) Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids;

2) Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council.

The Law has been adopted by the *Saeima* on 31 March 2022.

President E. Levits

Rīga, 19 April 2022