

ARTICLES OF ASSOCIATION OF VIISNURKAS

1. BUSINESS NAME AND SEAT OF THE COMPANY

- 1.1. The business name of the public limited company is **Viisnurk AS** (hereinafter referred to as the Company).
- 1.2. The Company shall be seated in the city of Pärnu, Republic of Estonia.

2. SHARE CAPITAL AND SHARES

- 2.1. The minimum share capital of the Company is EUR 2 699 436 (two million six hundred ninety nine thousand four hundredthirty two euros) and the maximum share capital is EUR 10 797 744 (ten million seven hundred ninety seven thousand seven hundred and fourty four euros).
- 2.2. The nominal value of a share of the Company is EUR 0.60 (sixty Euro cents) and each share shall grant one vote at the general meeting. The shares are of one class and grant the holders the same rights. According to the sum of nominal values of shares held, a share shall grant the shareholder the right to participate in management of the Company and in the distribution of profits and, upon dissolution of the Company, receive a share of the remaining assets of the Company, as well as other rights provided by law or prescribed by the Articles of Association.
- 2.3. The general meeting shall make the decision on increase or reduction of share capital. A resolution on increase of share capital shall be adopted if at least two-thirds of the votes represented at the general meeting are in favour. Upon increase of share capital the shareholders of the Company shall have the pre-emptive right to new shares proportionally to the sum of the nominal value of the shares held by them. The pre-emptive right of the shareholders may be barred by a resolution of the general meeting which receives at least three-quarters of the votes represented at the general meeting.
- 2.4. Shares may be paid for by monetary or non-monetary contributions. Monetary contributions shall be paid into the bank account of the Company. The value of the object of non-monetary contribution shall be established by the resolution of the management board. If there are generally accepted experts to evaluate the object, the object of non-monetary contributions shall be evaluated by the expert instead of the management board. The valuation of the non-monetary contribution shall be audited by the Company's auditor who submits a written opinion on the audit of the valuation of the non-monetary contribution to the management board of the Company.
- 2.5. A shareholder shall be entitled to transfer his/her/its shares freely. Upon transfer of shares to a third person there is no right of pre-emption.
- 2.6. A shareholder has a right to pledge a share. In order to pledge a share a written disposition for establishment of a pledge and entering the notice about pledge in the Estonian Central Register of Securities are required.
- 2.7. In order to cover possible future losses the Company shall form a reserve capital in the amount of at least one-tenth of the share capital. At least one twentieth of the Company's net profit shall be entered in the reserve capital each year until the reserve

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capital reaches its minimum amount. The general meeting may decide that also other sums are entered in the reserve capital. Reserve capital may also be used to increase share capital.

- 2.8. Upon a resolution of the general meeting the Company may issue convertible debentures the holders of which have the right to convert their debentures to shares under the terms and conditions provided in the debenture.

3. GENERAL MEETING

- 3.1. The general meeting is the highest directing body of the Company.
- 3.2. Annual general meeting shall be called by the management board within six months after the end of the financial year at the latest. A notice of an annual general meeting shall be sent to shareholders in writing at least three weeks before the general meeting.
- 3.3. The management board shall call special general meetings, if necessary. A notice of a special general meeting shall be sent to shareholders in writing at least one week before the general meeting.
- 3.4. The notice shall be sent to shareholders pursuant to the procedure prescribed by law. If the Company has more than 50 shareholders, notices need not be sent to the shareholders, however a notice of the general meeting shall be published in at least one daily national newspaper.
- 3.5. The notice calling a general meeting shall include the agenda of the general meeting and other information provided for by legislation.
- 3.6. General meetings shall be held in Pärnu city.
- 3.7. A list of shareholders having the right to participate at the general meeting shall be determined 7 days before the general meeting as of at 23:59.
- 3.8. A general meeting is competent to:
- (a) amend the articles of association;
 - (b) increase and reduce the share capital;
 - (c) issue convertible debentures;
 - (d) elect and remove members of the supervisory board and determine the procedure for remuneration and the amount of remuneration;
 - (e) elect (an) auditors and decide on the remuneration of the auditors;
 - (f) designate a special audit;
 - (g) approve an annual report and distribute profit;
 - (h) decide on dissolution, merger, division and transformation of the Company;
 - (i) decide on conclusion of a transaction with a member of the supervisory board, determine the conditions of the transaction, deciding on conduct of legal disputes and on the appointment of a representative of the Company in such transaction or dispute;
 - (j) decide on other matters placed in the competence of the general meeting by legislation.
- 3.9. The general meeting shall be competent to adopt resolutions if the shareholders present at the meeting represent more than a half of the votes determined by shares. If

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the required number of votes are not represented at the general meeting, the management board shall, within three weeks but not earlier than after seven days, call another general meeting with the same agenda. The new general meeting shall be competent to adopt resolutions regardless of the number of votes represented at the general meeting.

- 3.10. A resolution of a general meeting shall be adopted if over one-half of the votes represented at the general meeting are in favour unless otherwise prescribed by law.
- 3.11. The minutes of the general meeting shall be signed by the chair and secretary of the meeting. The list of shareholders participating at the meeting shall be signed by the chair and secretary of the meeting and each shareholder participating at the general meeting or their representative.
- 3.12. If provided by law, the minutes of the general meeting shall be notarised.

4. SUPERVISORY BOARD

- 4.1. The supervisory board shall plan the activities of the Company, organise the management of the Company, supervise the activities of the management board and adopt resolutions in matters provided by law or the articles of association. The supervisory board shall submit the general meeting a written assessment of the annual report compiled by the management board.
- 4.2. The supervisory board consists of up to seven members elected by the general meeting for a term of five (5) years.
- 4.3. The members of the supervisory board shall elect a chairperson from among themselves, who shall organise the activities of the supervisory board. In case the chairperson of the supervisory board cannot perform his or her duties the other members of the supervisory board may elect a substitute from among themselves on the basis of a consensus for the period that the chairperson is away.
- 4.4. Meetings of the supervisory board shall be held when necessary, but not less frequently than once every three months. A meeting of the supervisory board shall be called if this is demanded by a member of the supervisory board, the management board, an auditor or shareholders whose shares represent at least one-tenth of the share capital. Invitations to the meeting together with additional materials shall be sent to the members of the supervisory board at least a week prior to the meeting.
- 4.5. A meeting of the supervisory board has a quorum if more than one-half of the members of the supervisory board participate. Minutes shall be taken of all meetings of the supervisory board. The minutes shall be signed by all members of the supervisory board present in the meeting and the secretary of the meeting.
- 4.6. A resolution of the supervisory board shall be adopted if over one-half of the members of the supervisory board who participate in the meeting vote in favour. The chairperson of the supervisory board or the member substituting him or her shall have the deciding vote upon an equal division of votes. The supervisory board has the right to adopt resolutions without calling a meeting if all members of the supervisory board consent to it.

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- 4.7. Consent of the supervisory board is necessary to the management board for conclusion of transactions that are beyond the scope of everyday economic activities of the Company. Among other things, the consent shall be required for transactions that involve:
- (a) the acquisition or termination of holdings in other companies;
 - (b) foundation or dissolution of a subsidiary;
 - (c) approval and amendment of the operating strategy of the Company;
 - (d) significant change in the activities of the Company or involvement the Company in commercial activities that are not related to the objectives of the commercial activities of the Company to date.
- 4.8. The supervisory board shall appoint and remove procurators and members of the management board.
- 4.9. The supervisory board shall determine the agenda of a general meeting.
- 4.10. Meetings of the supervisory board may be held in the Republic of Estonia and abroad.

5. MANAGEMENT BOARD

- 5.1. The management board of the Company shall direct the Company and solve matters under the law and the articles of association and within the competence given by the general meeting and the supervisory board.
- 5.2. The management board shall consist of up to seven members elected for the term of three years.
- 5.3. Members of the management board shall be appointed and removed by the supervisory board who shall also decide on the rates of remuneration for them, and in case there are more than two members in the management board appoint the chairperson of the management board from among the members and also the deputy chairperson if necessary.
- 5.4. The competence, responsibilities and other rights and obligations of the member of the management board shall be determined in the contract concluded with him or her.
- 5.5. The chairperson or a member substituting him or her shall call the management board as often as required by the matters of the Company. The chairperson of the management board or the member substituting him or her shall call the meeting of the management board upon the request of a member of the management board. Resolutions that are essential to the Company shall be adopted at the meeting of the management board.
- 5.6. The management board is competent to adopt resolutions if at least a half of the members of the management board are present.
- 5.7. The chairperson of the management board shall be the chair of the meeting of the management board. If the chairperson of the management board cannot perform his or her duties, the member substituting the chairperson of the management board shall be the chair of the meeting of the management board.

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- 5.8. A resolution of the management board shall be adopted if more than a half of the members of the management board participating in the meeting vote in favour. The chair of the meeting or the member substituting him or her shall have the deciding vote upon an equal division of votes.
- 5.9. Minutes shall be taken of all the meetings of the management board. The minutes shall be signed by all the members of the management board participating in the meeting.
- 5.10. A member of the management board shall not participate in the voting if it involves granting a consent for a transaction between the Company and the member of the management board or between the Company and the legal person where the member of the management board or a person connected to him or her has a qualifying holding.

6. REPRESENTING THE COMPANY

- 6.1. Each member of the management board alone shall represent the Company and sign on its behalf.
- 6.2. The right of representation of the member of the management board may be restricted by a resolution of the supervisory board.

7. REPORTING AND DISTRIBUTION OF PROFITS

- 7.1. The financial year of the Company is a calendar year.
- 7.2. The management board shall draw and present the management report and the annual report together with its appendices, auditor's report and the profit distribution proposal to the general meeting according to the current legislation.
- 7.3. The general meeting shall decide the distribution of profit on the basis of the audited accounts.
- 7.4. The payment of dividends shall be determined with the decision of the general meeting.
- 7.5. After the end of the financial year but before the approval of the annual report, the management board, given the approval of the supervisory board, can make advance payments to the shareholders on the account of the estimated profit up to half of the amount which can be distributed between shareholders according to the legislation.
- 7.6. Dividends or advance payments shall be distributed proportionally between shareholders according to the list of shareholders which is fixed on the 10th market day after the general meeting in which the distribution of profit or the making of advance payments was decided.

8. TERMINATION OF THE COMPANY'S OPERATION

- 8.1. The Company's operation can be terminated with the decision of the general meeting according to the grounds and order specified by law.

The articles of association of Viisnurk AS have been approved with the annual general meeting resolution adopted on 30.06.2011.



Einar Pähkel
Member of board