

# AS PRFoods

## ARTICLES OF ASSOCIATION

### 1 BUSINESS NAME, SEAT

- 1.1 The business name of the company is AS PRFoods (hereinafter: the Company).
- 1.2 The seat of the Company is in Tallinn, the Republic of Estonia.

### 2 FINANCIAL YEAR

- 2.1 The financial year of the Company shall start on the first of January and end on the thirty first of December (01.01 - 31.12).

### 3 SHARE CAPITAL AND SHARES

- 3.1 The minimum share capital of the Company shall amount to 7,000,000 euro and the maximum share capital shall amount to 28,000,000 euro.
- 3.2 The minimum number of the shares without nominal value is 38,682,860 and maximum amount is 154,731,440.
- 3.3 The Company shall have only registered shares without nominal value. Each share shall grant one vote at the general meeting. The shares are of one type only, and shall grant similar rights to the shareholders.
- 3.4 The share capital is formed of monetary and non-monetary contributions of shareholders. A monetary contribution shall be transferred to the bank account of the Company. The value of a non-monetary contribution shall be determined by a decision of the management board of the Company, and the valuation shall be audited by the auditor of the Company who shall provide the management board with a written opinion regarding the value of the non-monetary contribution within one month after the passing of the decision of the management board. If generally recognized experts are available for the valuation of the property, the valuation of the object of the non-monetary contribution shall be obtained from them.
- 3.5 To cover possible losses, the Company shall form reserve capital which shall amount to 1/10 (one-tenth) of the share capital. At least 1/20 (one-twentieth) of the net profit of the Company shall be transferred to the reserve capital every year until the minimum reserve capital amount is attained.

### 4 TRANSFER AND ENCUMBRANCE OF SHARES

- 4.1 The shares of the Company are freely transferable.
- 4.2 The shares of the Company can be pledged pursuant to the procedure set forth by law.
- 4.3 The Company is entitled to issue convertible bonds.

### 5 GENERAL MEETING

- 5.1 An ordinary general meeting shall be convened by the management board not later than within six months after the end of a financial year.

- 5.2 An extraordinary general meeting shall be convened by the management board in the cases prescribed by law.
- 5.3 The place of the general meeting is the seat of the Company or any other place determined by the management board of the Company.
- 5.4 The shareholders shall be informed about the holding of an ordinary general meeting at least three weeks in advance. The shareholders shall be informed about the holding of an extraordinary general meeting at least one week in advance, provided that law does not set forth longer advance notice period. The agenda of a general meeting shall be appended to the notice of the general meeting.
- 5.5 A general meeting has a quorum provided that more than one-half of the votes determined by shares are represented there. If the required number of shares is not represented at the general meeting, the management board shall convene a new general meeting with the same agenda within three weeks but not earlier than after seven days. The new general meeting will have a quorum irrespective of the number of votes represented at the meeting.
- 5.6 A resolution of the general meeting shall be passed provided that over one-half of the votes represented at the general meeting are given in favour thereof, unless a requirement for a larger majority of votes is prescribed by law.
- 5.7 The shareholders may vote on the draft resolutions prepared in respect to the items on the agenda of a meeting of shareholders using electronic means prior to the meeting or during the meeting if it is specified in the notice convening the general meeting. The procedure for electronic voting shall be determined by the management board. The notice convening the general meeting shall specify whether electronic voting is possible and the manner for examining the procedure of electronic voting established by the management board. The shareholder who voted using electronic means shall be deemed to have taken part in the meeting and the votes represented by the shareholder's share shall be accounted as part of the quorum of the meeting unless otherwise provided by law.

## **6 SUPERVISORY BOARD**

- 6.1 The supervisory board shall plan the activities of the Company, organize the management of the Company and supervise the activities of the management board.
- 6.2 The supervisory board is competent to:
- 6.2.1 Plan the activities of the Company and organize management;
- 6.2.2 Elect and remove members of the management board and appoint the chairman of the management board;
- 6.2.3 Determine the responsibilities of the members of the management board and decide on the principles of remuneration;
- 6.2.4 Give orders to the management board upon the organization of the operations of the Company, and supervise the activities of the management board;
- 6.2.5 Approve an annual budget;
- 6.2.6 Approve an annual report prepared by the management board (including the profit allocation proposal) and amend the profit allocation proposal;
- 6.2.7 Appoint and remove a procurator;
- 6.2.8 Prepare and approve the agenda of a general meeting of the shareholders;

6.2.9 Provide a consent to the management board for the conclusion of the transactions and taking actions set out in article 6.2.10 of the articles of association, whereas the supervisory board may establish general rules for the conclusion of transactions and taking actions of certain types without providing its consent for concluding a transaction or taking an action in every single case;

6.2.10 The consent of the supervisory board is required for conclusion of the following transactions:

- (i) Entry into, amendment or termination of any such contract or agreement (a) which is beyond the scope of everyday business activities or (b) the objective whereof is to bind the Company for over 12 months and which obligates the Company to incur expenditures or obligations exceeding EUR 50,000 (indexed), including on unanticipated bases;
- (ii) Initiating any court or arbitration proceedings related to claims (including related expenses) that exceed or may exceed EUR 50,000, and regard other than routine debt collection in any jurisdiction, or termination thereof by an agreement;
- (iii) Making of any investments in other persons or business, or full or partial realization or transfer of any investments made by the Company;
- (iv) Acquisition or transfer of any assets the value whereof exceeds EUR 50,000 (indexed), unless it is prescribed in the budget;
- (v) Making any other amendments than those required under law or under the Estonian GAAP to the accounting principles or to rules of accounting applied by the Company;
- (vi) Capitalization or returning of any reserves of the Company, withdrawal of shares from circulation or purchase of shares by the Company, or increase, reduction or reorganization of the share capital of Company or its subsidiary company;
- (vii) Assumption of debt obligations or granting of a guarantee in any other way than by commercial credit assumed under normal trading conditions and in the course of everyday business operations in accordance with previous practices, or the assumption of any such debt obligations (including but not limited to premature repayment) or amendment or termination of contracts regarding the granting of any guarantee;
- (viii) Encumbering of any funds, assets, enterprise or uncalled capital of the Company with a mortgage, claim, debt obligation, pledge, lien or other encumbrance or right of security, or waiver thereof in any other way than by commercial credit assumed under normal trading conditions and in the course of everyday business operations in accordance with previous practices;
- (ix) Appointment of such employees or consultants of the Company whose annual income exceeds EUR 50,000 (indexed) and who are not members of the management board, determination of the terms of their employment contracts, their transfer or removal, as well as determination of the remuneration of or granting of benefits to the members of the management board or supervisory board;
- (x) Any material change in the nature or scope of business activities, including implementation of a new area of activity or winding up an area of activity, as well as relocation or extension of the premises of the Company or foundation of companies outside Estonia;
- (xi) Conclusion of transactions or amendment thereof by the Company with (i) a shareholder; (ii) a member of the supervisory board or management board; (iii) persons related to the aforesaid persons; or (iv) officers, members of the management board or employees of the aforesaid persons;
- (xii) Performance of any acts set out in this Article by a subsidiary of the Company;

- 6.2.11 Approval or modification of a budget or approval or authorization of a deviation from a current budget, if it comprises expenses or reallocation of expenses in an amount exceeding EUR 50,000 (indexed) in any financial year, or changing of a strategy determined in a budget;
- 6.2.12 Foundation of a direct or indirect subsidiary of the Company;
- 6.2.13 Deciding upon any other issue that has not arisen in the course of everyday business operations in accordance with the previous practices of the Company;
- 6.2.14 Deciding on other issues placed in the competence of the supervisory board pursuant to law or the articles of association of the Company.
- 6.3 The supervisory board consists of three to seven members who shall be elected for 5 (five) years by the general meeting of shareholders.
- 6.4 The meetings of the supervisory board shall take place according to necessity but not less often than once in every three months.
- 6.5 The members of the supervisory board shall elect a chairman from among themselves for organising the activities of the supervisory board, and a vice-chairman who shall organise the activities of the supervisory board in the absence of the chairman.
- 6.6 At least 10 (ten) days' advance notice shall be given of a meeting and its agenda. The agenda of the meeting of the supervisory board shall be prepared and the meeting shall be convened and chaired by the chairman of the supervisory board or a vice-chairman of the supervisory board.
- 6.7 The meeting of the supervisory board has a quorum provided that more than one-half of the members of the supervisory board participate at the meeting. A resolution of the supervisory board is passed if more than one-half of the members of the supervisory board have voted for it. If votes cast on both sides are equal in number, the chairman of the supervisory board shall have the casting vote. A member of the supervisory board is prohibited to participate in voting, if granting of the consent for conclusion of a transaction between him/her and the Company is being decided upon, as well as in case conclusion of a transaction between the Company and a legal person, in which such member of the supervisory board or a person related him/her has a qualifying holding, is being decided upon.

## **7 MANAGEMENT BOARD**

- 7.1 The management board is the management body of the Company that shall represent and manage the Company. The management board shall organize the accounting of the Company.
- 7.2 The management board consists of 1 (one) to 4 (four) members. The members of the management board shall be elected for 3 (three) years.
- 7.3 The members of the management board shall be elected and removed by the supervisory board that shall also decide upon the remuneration of the members of the management board.
- 7.4 In management, the management board shall adhere to the lawful orders of the supervisory board.
- 7.5 The management board shall submit an overview of the business activities and economic position of the Company to the supervisory board at least once in every four months, and immediately give notice about any material deterioration of the economic position of the Company as well as other material circumstances related to the business activities of the Company.

## **8 REPORTS**

- 8.1 The management board shall prepare the annual accounts and management report, and submit them to the general meeting for approval according to the procedure and within the term set forth in law after the end of a financial year.
- 8.2 The annual accounts and the management report shall be submitted to the auditor in such manner that the shareholders would be able to approve the audited report before the expiry of the term set forth by law.
- 8.3 The annual accounts shall be prepared on the basis of the Accounting Act and generally accepted accounting principles.

## **9 DISTRIBUTION OF PROFIT**

- 9.1 A share of the net profit (dividend) shall be paid to a shareholder pro rata to the book value of his/her shares.
- 9.2 The general meeting shall pass the resolution of distribution of profit on the basis of the approved annual accounts.
- 9.3 With the consent of the supervisory board of the Company, the management board of the Company will be entitled to make prepayments to the shareholders from the account of the presumed profit to the extent of up to one-half of the amount that can be distributed among the shareholders after the end of a financial year and before the approval of the annual report.

This version of the Articles of Association was approved by the resolution of the general meeting on 26 May 2016.

Indrek Kasela  
Chairman of the Management Board