

## **AS PRFoods**

# **Minutes of the annual general meeting of shareholders**

The annual general meeting of shareholders of AS PRFoods (the **Company**) was opened by the management board member of the Company, Indrek Kasela.

**Location:** Radisson Blu Hotel Olümpia, Tallinn, Estonia

**Start:** 28.05.2015 at 10:00 AM

**End:** 28.05.2015 at 10:45 PM

**Chairman:** Indrek Ergma

**Recording secretary:** Marek Korindt

The list of shareholders that attended the meeting has been appended to these minutes.

The meeting was convened pursuant to applicable law and the articles of association of the Company.

31 shareholders, holding 31,701,234 shares which give 82.45% of the total votes, attended the meeting. Therefore the meeting had a quorum.

### **The agenda of the meeting:**

1. Approval of the annual report of FY2014;
2. Covering of losses;
3. Appointment of auditor for FY2015 and determining auditor's remuneration;
4. Amending the Company's articles of association;
5. Reduction of the Company's share capital.

Adding of items to the agenda were not applied for.

### **1. Approval of the annual report of FY2014**

The Company's supervisory board has made the annual general meeting a proposal to approve the annual report of the Company for the FY2014 in the form submitted to the annual general meeting.

The management board member of the Company, Indrek Kasela introduced and explained the financial results of the Company for FY2014. In 2015 the Company continued only with fish production and the ice cream production was discontinued due to the sale of the business unit. Indrek Kasela explained that 89% of the products are exported and the largest destination country is Finland. In addition, Indrek Kasela explained specific financial results such as changes in turnover, gross profit, EBITDA, net profit, operating costs, etc.

An overview was also given with regard to the first quarter of FY2015. In summary, the financial results of this period were positive in comparison to previous years. The financial results of the first quarter of FY2015 were explained fore mostly due to the fact that the Company is so far known as a producer of ice cream in Estonia.

Questions and answers

No	Question	Answer (by Indrek Kasela)
1.	What is the management's prognosis for the Company's turnover and profit for FY2015?	The prognosis will be published after the publication of the Company's semi-annual financial results.
2.	If the management of the Company has not planned to publish the prognosis then what is the reason for such nondisclosure?	The prognosis will be published.
3.	What is the effect of Russian market to the Company's financial results?	There is no direct effect as the Company does not sell or import raw products from Russia. The indirect effect is caused mainly by tourism (especially Finnish tourism), which is affected by developments in Russia.
4.	How big was the loss caused by ice cream production for FY2014?	1.3 million euros.
5.	When is the Company being expected to reach a state of constant profit?	The prognosis will be published after the publication of the Company's semi-annual financial results.

**Resolutions:**

The shareholders decided to approve the annual report of the Company for the financial year 2014 in the form submitted to the annual general meeting.

**Voting results:**

Votes	No of Votes	Proportion to total votes (%)
In favour	31,701,234	100%
Against	0	0%
Impartial	0	0%
Did not vote	0	0%
<b>Total</b>	<b>31,701,234</b>	<b>100%</b>

**Dissenting opinions:**

No dissenting opinions were presented.

**2. Covering of losses**

The Company's loss for FY2014 was EUR 2,814,000.

The Company's retained losses as at 31th December 2014 were EUR 2,026,000.

The overview of the financial results of the Company together with explanations were given under the previous item.

The supervisory board of the Company has proposed the general meeting of shareholders to cover the losses on the account of future profits.

No questions were asked.

**Resolutions:**

The Shareholders of the Company decided to cover the losses on the account of future profits.

**Voting results:**

Votes	No of Votes	Proportion to total votes (%)
In favour	31,701,234	100%
Against	0	0%
Impartial	0	0%
Did not vote	0	0%
<b>Total</b>	<b>31,701,234</b>	<b>100%</b>

**Dissenting opinions:**

No dissenting opinions were presented.

**3. Appointment of auditor for FY2015 and determining auditor's remuneration**

The Company's supervisory board has made the annual general meeting a proposal to appoint Aktsiaselts PricewaterhouseCoopers as the Company's auditor for the financial year 2015 and to determine the remuneration of the auditor pursuant to the agreement to be executed with the auditor.

**Questions and answers.**

No	Question	Answer
1.	Is the auditor of the company being rotated?	Ago Vilu and Indrek Kasela answered. Ago Vilu explained that the due date prescribed by law for rotating auditors has not yet been reached. Upon the due date for rotation, the auditor will be rotated. Indrek Kasela explained that every year a contest for finding an auditor is carried out and that the Company is very pleased with the services provided thus far.

**Resolutions:**

The shareholders decided to appoint Aktsiaselts PricewaterhouseCoopers (registry code 10142876) as the Company's auditor for FY2015 and to determine the remuneration of the auditor pursuant to the agreement to be concluded with the auditor.

**Voting results:**

Votes	No of Votes	Proportion to total votes (%)
In favour	31,694,644	99.98%
Against	4,500	0.01%
Impartial	2,090	0.01%
Did not vote	0	0%
<b>Total</b>	<b>31,701,234</b>	<b>100%</b>

**Dissenting opinions:**

No dissenting opinions were presented.

**4. Amending the Company's articles of association**

The Company's supervisory board has made the annual general meeting a proposal to amend the Company's articles of association and approve the new version of articles of association that was submitted for the review of shareholders before the general meeting.

Indrek Ergma explained that the limits of the share capital and the nominal value of shares have to be amended in the articles of association of the Company have due to the reduction of share capital.

No questions were asked.

**Resolutions:**

The shareholders decided to amend the Company's articles of association and approve the new version of articles of association that was submitted for the review of shareholders before the meeting.

**Voting results:**

Votes	No of Votes	Proportion to total votes (%)
In favour	31,508,574	99.39%
Against	0	0%
Impartial	192,660	0.61%
Did not vote	0	0%
<b>Total</b>	<b>31,701,234</b>	<b>100%</b>

**Dissenting opinions:**

No dissenting opinions were presented.

**5. Reduction of the Company's share capital**

The Company's supervisory board has made the annual general meeting a proposal to adopt the decision for the reduction of Company's share capital as follows:

- The share capital shall be reduced by reducing the nominal value of Company's share by EUR 0.30 (30 euro cents) as a result of which the new nominal value of the share shall be EUR 0.20 (20 euro cents);

- In total the share capital shall be reduced by EUR 11,604,858 and the new share capital of the Company shall be EUR 7,736,572;
- The reason for the reduction of Company's share capital is the adjustment of company's capital structure. The reduction of Company's share capital enables to balance the company's debt-to-equity ratio and bring the company's return on equity and other financial ratios to level that is more adequate. The reduction of the share capital will take place based on the receivables for sale of ice cream and frozen products unit.

The list of shareholders participating at the reduction of share capital shall be closed at 23:59 on 28.08.2015.

The share capital shall be reduced by making disbursements to the shareholders in the amount of EUR 0.30 (30 euro cents) per share. The disbursements will be made to the shareholders not earlier than 15.12.2015 until 31.12.2015.

Indrek Kasela explained the impact of the sale of the ice cream production unit and the balance structure of the Company.

#### Questions and answers

No	Question	Answer (by Indrek Kasela)
1.	What is the likelihood that the funds payable after the share capital reduction will be received by the shareholders?	Indrek Kasela explained that the management of the Company cannot refuse to execute the resolutions adopted by the shareholders and that upon the adoption of the resolution the payments will be made accordingly.
2.	What is contemplated to be done with the remaining funds (i.e. the funds that are not to be distributed to the shareholders) gained from the sale of the ice cream production unit?	All loans were repaid (except for overdraft which is currently not being used). With regard to future investments additional information will be presented together with the publication of financial prognosis.

#### Resolutions:

The shareholders decided to:

- The share capital shall be reduced by reducing the nominal value of Company's share by EUR 0.30 (30 euro cents) as a result of which the new nominal value of the share shall be EUR 0.20 (20 euro cents);
- In total the share capital shall be reduced by EUR 11,604,858 and the new share capital of the Company shall be EUR 7,736,572;
- The reason for the reduction of Company's share capital is the adjustment of company's capital structure. The reduction of Company's share capital enables to balance the company's debt-to-equity ratio and bring the company's return on equity and other financial ratios to level that is more adequate. The reduction of the share capital will take place based on the receivables for sale of ice cream and frozen products unit.
- The list of shareholders participating at the reduction of share capital shall be closed at 23:59 on 28.08.2015. The share capital shall be reduced by making disbursements to the shareholders in the amount of EUR 0.30 (30 euro cents) per share.
- The disbursements will be made to the shareholders not earlier than 15.12.2015 until 31.12.2015.

#### Voting results:

<b>Votes</b>	<b>No of Votes</b>	<b>Proportion to total votes (%)</b>
In favour	31,508,874	99.39%
Against	192,360	0.61%
Impartial	0	0%
Did not vote	0	0%
<b>Total</b>	<b>31,701,234</b>	<b>100%</b>

**Dissenting opinions:**

No dissenting opinions were presented.

Indrek Ergma  
Chairman of the meeting

Marek Korindt  
Recording secretary of the meeting