

## ARTICLES OF ASSOCIATION OF AS TRIGON PROPERTY DEVELOPMENT

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### 1 BUSINESS NAME AND LOCATION OF THE COMPANY

- 1.1 The business name of the public limited company shall be **AS Trigon Property Development** (hereinafter referred to as the “**Company**”).
- 1.2 The location of the Company shall be Tallinn, the Republic of Estonia.

### 2 SHARE CAPITAL AND SHARES

- 2.1 The minimum share capital of the Company shall be EUR 2,699,436 (two million six hundred ninety nine thousand four hundred thirty six euros) ~~EEK 44,370,200 (forty four million three hundred seventy thousand two hundred)~~ and the maximum share capital shall be ~~EEK 177,480,800 (one hundred seventy seven million four hundred eighty thousand eight hundred)~~ EUR 10,797,744 (ten million seven hundred ninety seven thousand seven hundred forty four).
- 2.2 The nominal value of the share of the Company shall be ~~EEK 10 (ten)~~ EUR 0.60 and each share gives one vote at the General Meeting. The shares of the Company are of the same class and shall give their owners the same rights. A share give the shareholder the right to participate in the management of the Company and in the distribution of profit as well as in the distribution of assets outstanding in the event of the dissolution of the Company, pro rata according to the nominal value of the shareholders' share therein, as well as other rights provided by law or prescribed by these articles of association
- 2.3 The increase and reduce of the share capital shall be decided by the General Meeting. A resolution to increase of the share capital is adopted if at least 2/3 votes participated at the meeting are in favour. In case of increase of the share capital the shareholders of the Company have the pre-emptive right for new shares pro rata according to the nominal value of owned shares. The pre-emptive right of the shareholder may precluded with the resolution of the General Meeting, which is adopted with at least 3/4 votes participated at the meeting in favour.
- 2.4 Contribution for the share may be monetary or non-monetary. Monetary contributions shall be paid into the bank account of the Company. Non-monetary contributions shall be evaluated by a resolution of the Management Board. If there are generally approved experts for evaluation of non-monetary contributions, then the non-monetary contributions shall be evaluated by such experts instead of the Management Board. Auditor(s) of the Company shall control evaluation of the non-monetary contribution who shall present a written statement about auditing the valuation of the non-monetary contribution.

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- 2.5 The shareholder has the right to freely transfer the shares. There is no preemptive right in transferring the share to a third person.
- 2.6 The shareholder has the right to pledge the share upon a written disposition and making a notation into the Estonian Central Register of Securities regarding the pledging is necessary for pledging a share.
- 2.7 In order to cover possible future losses, the Company shall form a reserve capital, which shall amount to at least 1/10 (one tenth) of the share capital of the Company. At least one 1/20 (one twentieth) of the net profit of the Company shall be transferred to the reserve capital every year until the minimum amount of the reserve capital is achieved. General Meeting may resolve to make other transfers into the reserve capital. The reserve capital may also be used for increasing the share capital.
- 2.8 The Company may issue convertible bonds by the resolution of the General Meeting, which owners have the right to change the convertible bond against the share in the conditions stipulated in the bond.

### **3 GENERAL MEETING**

- 3.1 The General Meeting of shareholders is the highest directing body of the Company.
- 3.2 An annual General Meeting shall be convened by the Management Board at latest within 6 (six months) from the end of the financial year. Notice of the annual General Meeting shall be submitted to the shareholders in writing at least 3 (three) weeks prior to the meeting.
- 3.3 The special General Meetings shall be convened by the Management Board when needed. Notice of the special General Meeting shall be submitted to the shareholders in writing at least 1 (one) week prior to the meeting.
- 3.4 Notice of the General Meeting shall be sent to the shareholders in accordance with law. If the Company has more than 50 shareholders, the notice does not have to be sent to the shareholders but shall be published at least in one national daily newspaper.
- 3.5 Notice of the General Meeting shall consist of agenda of the meeting and other data provided by the law.
- 3.6 The General Meeting may take place at the location of the Company.
- 3.7 The list of the shareholders entitled to participate at the General Meeting shall be determined 7 days before the meeting as of 23:59.
- 3.8 The competence of the General Meeting is:
- (a) changing the articles of association;
  - (b) increase and reduce of the share capital;
  - (c) issuing the convertible bonds;

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- (d) electing and removing of the Supervisory Board members and determination of the procedure and the amount of their remuneration;
  - (e) election of auditor (s) and determination of the their remuneration;
  - (f) determination of the special audit;
  - (g) approval of the annual report and distribution of profit;
  - (h) deciding on dissolution, merger, division and reorganisation of the Company;
  - (i) decide on conclusion and terms and conditions of transactions with the members of the supervisory board, decide on the conduct of legal disputes with the members of the supervisory board, and appointment of the representative of the Company in such transactions and disputes;
  - (j) other issues which according to law are in competence of the General Meeting.
- 3.9 The General Meeting shall have a quorum if more than half of the votes of all shares are represented. If the required amount of votes are not represented in the General Meeting, the Management Board shall convene a new General Meeting with the same agenda within 3 (three) weeks, but not sooner than within 7 (seven) days. The new General Meeting shall have quorum regardless of the votes represented at the meeting.
- 3.10 A resolution of the General Meeting shall be adopted if more than half of the votes represented at the General Meeting are in favour of the resolution, unless otherwise stipulated in the law.
- 3.11 The minutes shall be signed by the chairman of the meeting and the recording secretary. The list of the shareholders participating in the meeting shall be signed by the chairman of the meeting and the recording secretary and by all participating shareholders or by the representatives of the shareholders.
- 3.12 The minutes of the general meeting shall be notarised, if it is required by the law.

## 4 SUPERVISORY BOARD

- 4.1 The Supervisory Board shall plan the activities of the Company, organize its management, supervise the activities of the Management Board and adopt resolutions stipulated in the law or in the articles of association. The Supervisory Board prepares a written evaluation on the annual report prepared by the Management Board for submitting to the General Meeting.
- 4.2 The Supervisory Board shall consist of up the seven (7) members who shall be elected by the General Meeting for a term of five (5) years.
- 4.3 The Supervisory Board shall elect from among its members a chairman, who shall organise the activities of the Supervisory Board. If the chairman

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- cannot fulfil his assignments, the other members of the Supervisory Board may by unanimous agreement elect his vicarious from Supervisory Board members to serve during the absence of the chairman.
- 4.4 The Supervisory Board shall meet when needed but at least once every three months. The Supervisory Board shall be convened if this is required by a member of the Supervisory Board, by the Management Board, by the auditor or by shareholders whose shares represent at least 1/10 (one tenth) of the share capital of the Company. Notices of the meeting together with additional materials shall be given to the members of the Supervisory Board at least one week before the meeting takes place.
- 4.5 The Supervisory Board shall have a quorum if more than half of the members are attending. Minutes shall be kept of every meeting of the Supervisory Board. The minutes shall be signed by all participating members of the Supervisory Board and the recording secretary.
- 4.6 A resolution of the Supervisory Board shall be adopted if more than half of the attending members of the Supervisory Board have voted in favour of it. If the votes are equal, the vote of the chairman of the Supervisory Board or the vote of his vicarious Supervisory Board member shall be decisive. The Supervisory Board shall have the right to adopt resolutions without convening a meeting upon consent of all members of the Supervisory Board.
- 4.7 The Management Board shall need the consent of the Supervisory Board for transactions which are beyond the scope of everyday economic activities. Consent shall be required, *inter alia*, for transactions involving:
- (a) participation in or termination of activities in other undertakings;
  - (b) establishment of the subsidiaries of the Company and termination of the subsidiaries of the Company;
  - (c) approval or changing the strategy of the business activity;
  - (d) substantial changes in the business activity of the Company or involving Company in the business activity which has not been related to the current objectives of the economic activity of the Company;
- 4.8 The Supervisory Board shall elect and remove procuration holders and members of the Management Board.
- 4.9 The Supervisory Board shall determine the agenda of the General Meeting.
- 4.10 The meetings of the Supervisory Board may take place in the Republic of Estonia or abroad.

## 5 MANAGEMENT BOARD

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- 5.1 The Management Board shall manage the Company and resolve matters within the powers granted by the articles of association, by the General Meeting and by the Supervisory Board.
- 5.2 The Management Board shall consist of up to seven (7) members who shall be elected for a term of three (3) years.
- 5.3 The members of the Management Board shall be elected and removed by the Supervisory Board, which also decides the limits of their fees, elects a chairman from the members of the Management Board and if needed, elects a vicarious chairman.
- 5.4 The areas of responsibility, duties and other rights and obligations shall be determined in the concluded agreement.
- 5.5 The chairman of the Management Board or his/her vicarious member shall convene the Management Board as frequently as the Company's matters require. The chairman of the Management Board or his/her vicarious member has to convene the meeting of the Management Board if it is required by a member of the Management Board. Decisions which are of significance to the Company shall be adopted at the Meeting of the Management Board.
- 5.6 A meeting of the Management Board shall have quorum if more than half of the members of the Management Board are present.
- 5.7 The chairman of the Management Board shall conduct the meeting of the Management Board. If the chairman cannot fulfil his/her duties, the chairman of the meeting of the Management Board shall be his/her vicarious member.
- 5.8 A resolution of the Management Board shall be deemed adopted if more than half of the members of the Management Board attending have voted in favour. If the votes are equal, the vote of the chairman or his/her vicarious member shall be decisive.
- 5.9 Minutes shall be kept of every meeting of the Management Board. The minutes shall be signed by all members of the Management Board participating in the meeting.
- 5.10 The Member of the Management Board shall not participate in voting if giving a consent for the transaction between the Company and the Management Board member as well as between the Company and a legal person in which the Management Board members has substantial holding, is being decided.

## 6 REPRESENTATION OF THE COMPANY

- 6.1 The Company can be represented by and the Company name can be signed by the each Management Board Member.
- 6.2 A representation right of the Management Board member may be restricted by the resolution of the Supervisory Board.

**7 REPORTING DISTRIBUTION OF PROFIT**

- 7.1 The financial year of the Company shall coincide with the calendar year.
- 7.2 The Management Board shall prepare and submit the activity report and annual report with the appendices, auditors report and a proposal regarding distribution of profit to the General Meeting in accordance with applicable law.
- 7.3 The General Meeting shall decide the distribution of profit upon audited annual report.
- 7.4 The method of payment of the dividends shall be determined by resolution of the General Meeting.
- 7.5 After the end of the financial year but prior to approval of the annual report, the Management Board of the Company, with consent of the Supervisory Board, may make pre-payments to the shareholders in the amount of up to one half of the expected profit which, pursuant to the laws, may be divided between shareholders.
- 7.6 The dividends or the pre-payments shall be distributed to the shareholders according to the list of shareholders will be fixed on the 10<sup>th</sup> trading day after the meeting, where the resolution on profit distribution or making of pre-payments was approved.

**8 DISSOLUTION OF THE COMPANY**

- 8.1 The dissolution of the Company may be decided by the resolution of the General Meeting, based on the grounds of and according to the law.

The new redaction of articles of association of AS Trigon Property Development have been adopted by the resolution of the Annual General Meeting as of [28.06.2010-29.06.2011.](#)