

SIA Timbro Group

ARTICLES OF ASSOCIATION

Convenience translation. This is an English translation of the Latvian original of the articles of association of SIA Timbro Group. In the event of any discrepancy between the Latvian original and this translation, the Latvian original prevails.

1. Business name

1.1. The business name of the Company is SIA Timbro Group (the "Company").

2. Share capital and shares

2.1. The share capital of the Company is EUR 2,500,000. The share capital consists of 1,000,000 category A shares with a nominal value of EUR 0.01 per share and 2,490,000 category B shares with a nominal value of EUR 1 per share.

2.2. Each category A share entitles its holder to receive dividends, to receive a liquidation quota and to vote at the meeting of shareholders.

2.3. Each category B share entitles its holder to receive dividends and to receive a liquidation quota.

2.4. The shareholders of the Company have no pre-emptive rights with respect to category B shares of the Company.

2.5. A category B share entitles its holder to receive dividends disproportionately to the percentage weight of the share, in accordance with a resolution of the meeting of shareholders (the meeting of shareholders may also resolve not to allocate dividends). The meeting of shareholders may at any time resolve to reduce the share capital by cancelling category B shares.

2.6. The terms of a share capital increase may provide that, where the full price of the shares is not paid, the shareholder retains the number of shares proportional to the amount the shareholder has paid.

2.7. With respect to the disposal and pledging of the Company's shares, the shareholders of the Company and the Company observe the restrictions and terms set out in the Commercial Law (Komerclikums) and in the agreements concluded between the shareholders.

3. Management board

3.1. The chairman of the management board is entitled to represent the Company together with one member of the management board. Each member of the management board is entitled to represent the Company only together with the chairman of the management board.

4. Meeting of shareholders

4.1. The meeting of shareholders is entitled to decide any matter concerning the operations and governance of the Company.

4.2. In addition to the competence of the meeting of shareholders set out in the Commercial Law, for deciding the following matters the management board must obtain the consent of (i) shareholders of the Company (at a meeting of shareholders or without convening a meeting of shareholders) representing at least 2/3 of the voting rights, or (ii) the shareholder SIA Merito Capital, registration No. 40203511499:

4.2.1. approval of the Company's annual budget and business plan, as well as material amendments to the approved budget;

4.2.2. incurring loans, issuing debt securities or assuming other financial liabilities where their amount in a single transaction or a series of related transactions exceeds EUR 250,000 and is not provided for in the approved budget (except loans from the Company's shareholders);

4.2.3. issuing suretyships, guarantees or other security for the obligations of third parties, as well as pledging or otherwise encumbering the Company's assets, except security for the financing of the Company or its subsidiaries provided for in the approved budget;

4.2.4. establishing subsidiaries, acquiring or disposing of shares or stock in other companies, and forming joint ventures or partnerships;

4.2.5. disposal of the whole undertaking of the Company or a material part thereof, reorganisation of the Company or a material change in the Company's line of business;

4.2.6. transactions with the Company's shareholders, members of the management board or persons related to them, except transactions in the ordinary course of business on arm's length terms;

4.2.7. acquisition or disposal of assets outside the ordinary course of business where the value of the transaction or a series of related transactions exceeds EUR 100,000;

4.2.8. change of the Company's business name;

4.2.9. approval of any of the matters referred to above at the level of the Company's subsidiaries.

4.3. The consent referred to in clause 4.2 of these articles of association is not required for transactions carried out in the ordinary course of business on arm's length terms, including the purchase and sale of timber and energy wood, the acquisition, development and disposal of felling rights and of forest and agricultural land properties, contracts for logging, transport and logistics services, as well as transactions provided for in the approved budget. Restrictions on the representation rights of the management board are not effective against third parties.

4.4. Meetings of shareholders are convened and held in accordance with the procedure set out in the Commercial Law, unless these articles of association provide otherwise.

4.5. A resolution on changes to the Company's share capital may be adopted only if shareholders representing at least 75% of the voting rights participate in the meeting of shareholders and shareholders representing at least 75% of the votes present have voted in favour of the resolution.

4.6. Notices convening a meeting of shareholders are sent to the addresses or e-mail addresses indicated in the Company's register of shareholders.

4.7. The shareholders are entitled to adopt resolutions without convening a meeting of shareholders. The management board sends a draft written resolution and the documents relevant to its adoption to all shareholders, indicating the period within which a shareholder may vote in writing for or against the adoption of the resolution. Such period may not be shorter than two weeks from the day the draft resolution is sent. If a shareholder has not given a written reply within the set period, the shareholder is deemed to have voted against the adoption of the resolution. The management board draws up voting minutes on the voting results and sends them to all shareholders without delay.

4.8. A meeting of shareholders may also be held solely by electronic means (remotely), and the shareholders must participate and vote in it using electronic means of communication (e-meeting or absentee meeting). The shareholders of the Company delegate to the management board the right to determine the requirements for the identification of shareholders and the procedure for exercising these rights.

THE LATVIAN ORIGINAL IS SIGNED WITH AN ELECTRONIC SIGNATURE AND CONTAINS A TIME STAMP