

APPROVED

in the extraordinary meeting of  
shareholders of JSC „Ditton  
pievadķēžu rūpnīca” dated  
14.10.2011 (Protocol No.2)

## ***REGULATIONS ON THE CONVENING AND COURSE OF SHAREHOLDERS' MEETINGS OF THE JSC „DITTON PIEVADĶĒŽU RŪPNĪCA”***

*Adopted on the basis of:*

- 1) The Commercial Law of the Republic of Latvia;*
- 2) Financial Instruments Market Law;*
- 3) Corporate Governance Principles of  
„NASDAQ OMX Riga”;*

### **§ 1**

#### **Content and structure**

These Regulations on the convening and course of shareholders' meetings of the JSC „Ditton pievadķēžu rūpnīca” (hereinafter referred to as – Regulations) comprise the following sections:

- Definitions of the Regulations (§2);
- Procedures of the convening of shareholders' meetings of the JSC „Ditton pievadķēžu rūpnīca” (§3);
- Procedures of the course of shareholders' meetings of the JSC „Ditton pievadķēžu rūpnīca” (§4);
- Final provisions of the Regulations (§5).

### **§2**

#### **Definitions of the Regulations**

- 2.1. Issuer – JSC „Ditton pievadķēžu rūpnīca”;
- 2.2. Shares – fully paid financial instruments of the Issuer owned by natural or legal persons;
- 2.3. Shareholders – investors of the Issuer – natural and legal persons who own the Issuer's shares or administer the investors' shares on a legal basis;
- 2.4. Council – supervisory institution of the Issuer, which is elected by the shareholders and fulfils the functions in accordance with Latvian law and the Articles of the Issuer;
- 2.5. Management Board – is the executive institution of the Issuer, which performs representative and other functions in accordance with Latvian law and the Articles of the Issuer.

### §3

#### **Procedures of the convening of shareholders' meetings of JSC „Ditton pievadķēžu rūpnīca”**

3.1. The Issuer shall convene regular and extraordinary meetings of shareholders, including in special cases. When convening the meeting the Management Board or the Council shall act on behalf of the Issuer. The shareholders' meetings are convened by the Management Board or Council due to reasons and in the terms specified in the Commercial Law, Financial Instruments Market Law and Rules of the JSC „NASDAQ OMX Riga” and Articles of the Issuer.

3.2. The Issuer discloses information on convening of the meeting through:

- Central Storage of Regulated Information of the Financial and Capital Market Commission;
- home page of JSC “NASDAQ OMX Riga” on the internet through the GlobeNewswire system;
- website of JSC "Ditton pievadķēžu rūpnīca” on the internet;
- in at least one regional newspaper.

3.3. At the same time in the notice on convening of the meeting of shareholder the Issuer ensures the following information:

- the firm name and legal address of the company,
- the place and time of the meeting,
- the type of meeting (regular or extraordinary meeting),
- the institution which is convening the meeting,
- the agenda,
- total number of shares with voting rights,
- record day and explanation that only those persons who are shareholders on the record day are entitled to participate in the shareholders' meeting;
- rules for participating of representatives of the shareholders – natural and legal persons – in the meeting,
- the sample of a power of attorney to be issued by the shareholder to its representative,
- conditions of issue of a proxy for natural and legal persons;
- rights of the shareholders and term of their exercising,
- place and time where and when the shareholders can get acquainted with draft resolutions on the issues included into the agenda of the meeting, as well as other issues to be considered in the meeting.

3.4. Not later than 14 days or 30 days in cases stipulated by the law prior to the shareholders' meeting the Issuer discloses the draft resolutions on the issues included into the agenda through:

- Central Storage of Regulated Information of the Financial and Capital Market Commission;
- home page of JSC "NASDAQ OMX Riga" on the internet through the GlobeNewswire system;
- website of JSC "Ditton pievadķēžu rūpnīca” on the internet.

3.5. According to the terms and procedures stated by the laws and regulations the Issuer requires and receives from Latvian Central Depository current information on the company's shareholders.

On the basis of this information not later than three days prior to the meeting the Issuer compiles a list of shareholders which shall indicate:

- for a natural person – the given name, surname, and personal identity number (if the person does not have a personal identity number – the date of birth, the number and date of issue of a personal identification document, the state and authority, which issued the document);
- for legal persons – name and registration number;
- the category, number and par value of stocks owned by the shareholder;
- the number of votes arising from the shares owned by the shareholder.

The list of the shareholders shall be placed in such way so that the shareholders have access to it. The Management Board ensures for the during the meeting and after it, ant to receive a copy of it in printed or electronic form free on charge.

The Issuer shall not be liable if the information provided by Latvian Central Depository does not contain information necessary for compiling the list.

3.6. If a stockholder has submitted a written request to the Management Board at least seven days before the meeting of shareholders, the Management Board must provide to him or her, not later than three days before the meeting of stockholders, all the requested information regarding the issues included in the agenda. Form of submitting request and form of the response (written or oral) can be chosen by the shareholder. The amount of information to be provided is stated by the Management Board in accordance with the request of the shareholder.

3.7. The Management Board has the right to refuse to issue such information to the shareholder fully or in any part, if the existing legal norms of the Republic of Latvia and European Union do not entrust the Management Board with disclosing it, if disclosure of information may cause damages to the Issuer and its partners and/or this information should not be disclosed in accordance with the law and the Articles of the Issuer, including, if this information is included into the Regulations of Commercial Secrets of JSC „Ditton pievadķēžu rūpnīca” in accordance with the law and the Articles of the Issuer.

3.8. The Management Board shall evaluate the information provided to the shareholder under requirements of the Financial Instruments Market Law and Rules On Listing and Trading of Financial Instruments in the Markets Regulated by the Exchange of the JSC “NASDAQ OMX Riga”. If this information contains features of a significant event, it shall be disclosed at the same time through:

- Central Storage of Regulated Information of the Financial and Capital Market Commission;
- home page of JSC "NASDAQ OMX Riga" on the internet through the GlobeNewswire system.

3.9. The Management Board or the Council, who provide information to the shareholder, may indicate that the information contains elements of the Issuer's commercial secret in accordance with the Regulations of Commercial Secrets of JSC „Ditton pievadķēžu rūpnīca”. In this case according to the Article 19 of the Commercial Law the shareholder is imposed to ensure protection of this information from public disclosure and from third parties.

3.10. Agenda of the meeting to be convened is determined by persons or institutions that convene the meeting.

The agenda of the meeting can be altered by:

- a) persons or institutions that suggested convening the meeting;
- b) the shareholder who represents not less than one twentieth of the equity capital of the company.

The person concerned may request alteration of the agenda within seven days after publication of notice on convening the meeting of shareholders.

Persons or institution of the Issuer who suggested convening the meeting have the right within the same period to correct the errors and/or to supplement the draft decisions or the agenda.

The Management Board or the Council who convene the shareholder meeting disclose additional issues included into the agenda and draft decisions on them (if such shall be submitted together with the addenda) in the same manner as the notice on convening the meeting, unless otherwise indicated in laws of the Republic of Latvia, no later than 14 days before the meeting.

3.11. Persons or institution who determine the agenda have the right to refuse to make changes to the agenda, if:

- the issue proposed does not apply to the competence of shareholders' meeting;
- the deadlines for submitting proposals on amendments to the agenda are violated or it is not possible to meet the conditions on announcement of amendments to the agenda.

3.12. The shareholders may submit to the Management Board or the Council proposals on different wording of draft decisions on the announced agenda. Projects proposed by the shareholders shall not be published and they are considered in the meeting.

If these projects are submitted together with the proposal on amendments to the agenda, then these draft decisions are published together with the amendments to the agenda.

3.13. Shareholders and the Issuer's bodies have the authority to submit to the shareholder's meeting written submissions of any nature, including in the part of objections and complaints by fulfilling procedures of convening the meeting, which shall be presented in the meeting.

3.14. The Issuer is not responsible for activities of the Commercial Register Office of the Register of Enterprises when convening the shareholders' meeting in cases specified by laws and regulations of the Republic of Latvia. In this case these Regulations are not binding for the Commercial Register Office.

#### **§4**

#### **Procedures of the course of shareholders' meetings of JSC „Ditton pievadķēžu rūpnīca”**

4.1. The shareholders' meetings convened by the Management Board and the Council, as well as the shareholders who are entitled to convene meetings shall take place at the Issuer's registered office: in Visku Street 17, Daugavpils, LV-5410. The Issuer shall cover the costs related to the convening of meetings of shareholders.

4.2. Not later than one hour prior to the meeting the Management Board ensures registration of the shareholders participating. According to registration results there is a list of shareholders compiled which includes the following information:

- for individuals – the given name, surname, and personal identity number (if the person does not have a personal identity number – the date of birth, the number and date of issue of a personal identification document, the state and authority, which issued the document) of the stockholder and his or her representative (if a proxy has been issued);

- for legal persons – name and registration number, the given name, surname, and personal identity number (if the person does not have a personal identity number – the date of birth, the number and date of issue of a personal identification document, the state and authority, which issued the document) of the representative;

- the number and par value of shares owned by the stockholder in accordance with the information provided by Latvian Central depository;

- the number of votes arising from the stock owned by the stockholder.

The Chairman of the Management Board approves the list of registered shareholders and passes it to the chairperson of the meeting.

The list of registered shareholders is available to the shareholders before the meeting, during the meeting and after it. The shareholders are entitled to get acquainted with the list and ask for its copy.

4.3. Registration is closed before the meeting begins. After opening the meeting shareholders being late may participate in the meeting with the authorization of the meeting only in the debate and putting forward proposals without the right to vote unless the meeting will allow him to register later.

4.4. During registration the shareholders and their representatives have to present identity documents:

- persons who are given a personal identity number - any identity document, where this number is given;

- persons who are not given a personal identity number – any identity document, which can identify all the information specified in paragraph 4.2 of these Regulations.

If a shareholder for a variety of reasons is unable to present appropriate documents as mentioned above, the decision to permit him to participate in the shareholders' meeting shall be taken by vote of shareholders before opening the meeting. The Management Board shall make a corresponding entry in the shareholders' list about the permission to such shareholder to permit in the meeting on the basis of the shareholders' decision.

In such case the refusal to a shareholder to participate in the shareholders' meeting does not constitute an unlawful prohibition to this shareholder to participate in the meeting convened.

4.5. Shareholders or their representatives, members of the Management Board and the Council, auditor of the Issuer have the right to participate at a meeting. The presence of other persons is allowed with knowledge and permission of the meeting.

4.6. The shareholders' meeting shall be opened by the Chairman of the Council or his deputy.

4.7. The meeting shall be conducted in an official language. At the request of a majority of shareholders the meeting may be conducted in another language. In this case, at the request of the shareholders the Issuer provides a simultaneous translation into the official language. The reporting shareholders may choose a language at their discretion, providing translation of a speech into the official language or the chosen language of the meeting.

Documentation of the meeting will be kept in the official language.

4.8. When opening the meeting, the Chairman of the Council (or his deputy) informs the shareholders in behalf of the Issuer about following circumstances:

- which institution (or person) has convened the meeting;
- when and where the notice on convening the shareholders' meeting and draft decisions have been published;

- about agenda of the convened meeting;

- about circumstances mentioned in the Article 56.<sup>1</sup> of Financial Instruments Market Law;

- about voting stock of the company and distribution of the votes;

- about shareholders registered for the meeting and number of votes owned by them at the meeting convened with presenting the list of shareholders approved by the Management Board according to paragraph 3.2 of these Regulations;

- about representation of shareholders, if any;

- about quorum necessary for holding the meeting and making decisions on issues of the agenda;
- about the statements received from shareholders, the Council or the Management Board to the shareholders' meeting, requests for amendments to the agenda, requests for providing additional information, applications for an alternative draft decisions, submissions of objections and protests related to convening of the meeting and other documents, if any

4.9. If there are no claims and documentation declared by the shareholders which prevent holding of the meeting, the Chairman of the Council (or his deputy) offers to the shareholders to elect a vote counting commission (tellers). Persons who are not Issuer's shareholders may be members of the counting commission. After electing the vote counting commission (tellers) Chairman of the Council opens the meeting.

4.10. After opening the meeting before starting examination of the agenda the meeting shall elect:

- the chairperson of the meeting (the chairperson of the meeting can be the person who is not the Issuer's shareholder);
- the secretary of the meeting (the secretary of the meeting can be the person who is not the Issuer's shareholder);
- two shareholders with voting rights who shall attest to the correctness of the minutes of the meeting.

4.11. In the event the shareholders' meeting is convened by the Management Board or the Council on the initiative of a shareholder or a shareholders' group, the meeting is opened by this shareholder or a representative of this shareholders' group and the Management Board shall pass to him all information and documents related to the meeting and announced agenda. This shareholder or the representative of this shareholders' group is obliged to meet all procedures stated in paragraphs 4.7-4.10 of these Regulations.

4.12. Before starting examining the announced agenda the chairperson of the meeting is obliged to ask a question on the voting form – open or by secret ballot.

4.12.1. Secret ballot shall be performed:

- in the cases stipulated in laws and regulations of the Republic of Latvia;
- in the cases if voting with ballots is necessary;
- in the cases if a secret ballot is requested by shareholders who represent at least one tenth of the equity capital.

4.12.2. After choosing the voting form the chairperson of the meeting is required to explain how the vote counting committee shall count the results of expression of shareholders' will – "for", "against", "abstained", as well in what cases, if there has been a secret ballot, the ballot papers shall be recognized invalid;

4.12.3. If a decision on a secret ballot is taken, before its beginning the chairperson of the meeting shall announce a 15-minute break for each issue in order the vote-counting commission can draw up properly ballot papers for each participating shareholder, as well as grant to the shareholders not less than 15 minutes for secret ballot with ballot papers.

4.13. The chairperson of the meeting shall announce beginning of examining of each issue of the agenda.

4.13.1. If the meeting is convened on the initiative of the Management Board or the Council and the chairperson of the meeting is elected from among then members of the Management Board or the Council, he has the authority as a co-speaker to present information on this issue of the agenda on behalf of the Issuer and/or gives the floor to representatives of the Issuer's bodies having convened this meeting.

4.13.2. If the meeting is convened on the initiative of other persons, including shareholders, the chairperson of the meeting gives the floor to these persons or their proxies for making a statement.

4.13.3. If the chairperson of the meeting is the person who does not represent the Council or Management Board of the Issuer, or the person who requested convening of the meeting, he or she gives the floor to representatives of the Issuer's institutions for statements or to the persons who have requested this convening.

4.14. Every shareholder has the right to participate in debate on the issue of the agenda to be examined, as well as ask questions and request explanations from the speakers unlimited number of times. These rights of the shareholder can not be restricted until the shareholders take decision on the closure of a discussion and switching to voting procedures on this issue of the agenda.

4.14.1. Before the speech and the beginning of the debate on the initiative of the shareholders the meeting is entitled to adopt regulations in respect of time being allotted for reporting and participation in the debate. This decision shall be recorded in the minutes of the meeting.

4.14.2. If at the stage of convening the meeting (see paragraphs 3.6 and 3.7 of the Regulations) or during the meeting between the shareholder (shareholders) and the Management Board there is a dispute in connection with the disclosure of information which represents the Issuer's commercial secret in accordance with the adopted internal regulations, the chairperson of the meeting is required to resolve this dispute in accordance with the Article 276 of the Commercial Law, raising the issue about disclosure of information requested by the shareholder (shareholders) at the meeting. The decision taken is binding to the shareholder and Management Board.

If disclosing such information in the meeting at the shareholder's request, the Management Board has an obligation to ensure its publicity through the Central Storage of Regulated Information of the Financial and Capital Market Commission and on the website of JSC "NASDAQ OMX Riga" through the GlobeNewswire-system if it meets signs of significant event within the meaning of the Financial Instruments Market Law.

4.15. The shareholders' meeting adopt decisions by fulfilling the following procedures:

4.15.1. The chairman of the meeting notifies about starting voting on the issue being examined at the shareholders' meeting after the shareholders have decided to finish the debate on this issue.

4.15.2. Before voting the chairman of the meeting announces (reads) the draft decision offered to the shareholders' meeting. The shareholders have the right to request of the Issuer's bodies or persons who have convened the meeting, as well as shareholders who offered an alternative draft decision or additions to the draft decision, to explain the draft decision.

4.15.3. If several draft decisions have been received, each of them is put to the vote as they are received: first published projects, then projects proposed to the meeting.

4.15.4. The shareholders have the right to supplement draft decisions being offered and published. In this case, first, there is an issue raised to the shareholders if they support or reject supplement to the published draft decision. If shareholders reject the proposal, there is the published draft decision put to the vote on the issue of the agenda. If the shareholders accept supplements to the draft decision, the published draft decision is put to the vote together with amendments (additions).

4.15.5. Alternative draft decisions, as well as additions to the draft decisions are submitted in writing to the shareholders and their texts are added to the documents of the meeting. If a shareholder submits the abovementioned in an oral form, he is obliged to dictate the text of the decision or the addition to the secretary of the meeting, as well as to verify the correctness of the text entered in the minutes of the meeting. After the issue is put to the vote, the shareholder's complaints about the content of the decision or supplement shall not be accepted.

4.15.6. The results of shareholders' voting are reflected in protocols of the vote counting commission. At the request of the shareholder who is voting "against" his vote "against" may be reflected in a relevant protocol of vote counting.

It is allowed not to draw up a vote counting protocol when voting on procedural matters (such as regulation on time for the shareholders, who report and participate in the debates, on the closure of a debates, on closing the meeting after examining of all issues of the agenda), if the opposite not requested by the shareholders.

4.15.7. Voting results shall be announced:

a. in case of open voting – by the chairman of the meeting or member of the vote counting committee;

b. in case of secret ballot – by member of the vote counting committee.

When announcing the voting results the chairman of the meeting shall announce which decision is accepted or rejected.

4.15.8. Special conditions of shareholders' voting and decision-making:

a. If there are several draft decisions on the issue of the announced agenda and one of them is adopted by majority vote, then vote for other draft decisions may not take place unless the contrary will not be required by the shareholders who offered next draft decisions.

b. There can be only one decision taken on the issue of the announced agenda. If for some reasons the shareholders adopt two and more decision options on one issue of the agenda, the decisions shall automatically lapse and the chairman of the meeting shall announce re-examining of this issue of the agenda.

c. If there is no decision taken on the issue of the announced agenda due to equal distribution of „for” and „against” votes or if the shareholders did not participate in voting at all, the chairman of the meeting announces repeated discussion of the issue and repeated voting. If the decision is not taken again, then the Issuer's body or the person who convened this meeting is entitled to request to convene repeated meeting for examining of this issue of the agenda. If the repeated meeting does not take decisions, this issue may be examined in the following shareholders' meetings.



d. By taking decision on elections of the Issuer's Council, representatives of the vote counting commission inform the shareholders about the distribution of votes between candidates and about candidates, who in accordance with the composition of the Council (5 persons) are elected into the Council in accordance with the votes received.

e. If there are any claims or disputes from the side of shareholders concerning the vote counting protocol, the chairman of the meeting is required to notify about approval of this vote counting protocol of the vote counting committee.

f. In the case of secret ballot any shareholder has the right to request a break of the meeting in order to get acquainted with ballot papers of secret voting, if there is an important reason for it.

g. Ballot papers of secret ballot (expression of the shareholders' will) are confidential and will not be publicly disclosed. The Issuer shall keep ballot papers not less than 12 (twelve) months as annexes of the minutes of the shareholder's meeting.

4.16. Additional procedures which ensure taking of the shareholders' decisions.

4.16.1. At election of the Issuer's auditor (revision committee of the Issuer).

a. The Issuer's body or the person who requested to convene the shareholders' meeting, if the issue on election of the auditor included, is required to submit a draft decision, including into it the proposed auditor's candidate (legal or natural persons).

b. The above mentioned (a. paragraph) does not restrict the shareholders' rights to submit to the meeting alternative candidates for the election to be the company's auditors.

c. In any event, the Issuer institution or the person, who requested to convene the shareholders' meeting or proposed to the meeting alternative candidates of the auditor shall be obliged to submit to the meeting a written approval (consent) of the auditor to perform these duties, as well as information about the proposed person and a guarantee that this person has no legitimate obstacles to perform the auditor's duties and no conflict of interests.

4.16.2. At election of the Issuer's Council.

a. Offering candidates for election into the Issuer's Council is solely the competence of shareholders. Shareholders are entitled to nominate candidates to membership of the Council:

- before the meeting: shareholder (or group of shareholders) who owns not less than five per cent of the Issuer's capital with voting rights;

- during the meeting: shareholder (or group of shareholders) who owns not less than five per cent of the Issuer's capital with voting rights represented at the meeting of shareholders for each candidate.

If the shareholder's proposal is received before the meeting within time limits, which allow publishing the amended draft decision, the candidate names shall be included in the draft decision for repeated publishing.

b. Disclosing information on candidates for the members of the Council before the meeting and their presence in the meeting shall be considered to be a good practice providing the shareholders the opportunity to get acquainted with the candidate and his programme of the Council's activity.

c. In any case, the shareholders who nominate the Council member candidates are obliged to submit to the meeting a written consent of the candidate to be elected as a member of the Council in accordance with the Article 296 of the Commercial Law, information on the nominated candidate (in form of CV or another document), guarantees that this person has no legal obstacles to fulfil duties of the Council member and there is no interest conflicts, as well as information about the candidate's independence in compliance with the Corporate Governance Principles.

#### 4.16.3 At approving of the annual report of the company.

a. Approval of the company's annual report and its subsequent transfer to the state institutions is a legal obligation of the Issuer. This legal obligation in the part of approval of the annual report shall be performed by the shareholders in the ordinary meeting of shareholders. The shareholders have to exercise their right to approve the annual report or to refuse to approve the annual report in good faith and constructively, without causing harm to the company.

b. The following is considered to be a fair and constructive practice in exercising of these shareholders' rights:

- exercising the rights to vote "against" only if the annual report is prepared with violations of Latvian and European Union laws, contains inaccuracies and material shortcomings, does not reflect the Issuer's state of affairs and other significant events and the shareholder has notified the Issuer about it prior to the meeting, but the Management Board has not eliminated these obstacles for the shareholder's vote;

- refusal to exercise the right to vote "against" for settlement of controversies and disputes among the shareholders and by protecting of their personal economic interests, without regard to the interests of the Issuer and / or majority of shareholders;

- using of other forms, methods and procedures for protection of the shareholders' rights or Issuer's interests, which do not cause obstructions in the Issuer's activity.

c. In deciding to approve the annual report, the shareholder is obliged to formulate principles and ways for resolving the situation:

- if the dispute with the Management Board and the Council concerns mistakes and/or discrepancies in the annual report stated in the meeting against the Issuer's actual state of affairs, the shareholders state the term for the Management Board for elimination of defects and convening of repeated shareholder's meeting for approval of the annual report;

- if the annual report in form and content is executed without violations of Latvian and European Union law and conforms to the Issuer's position, but the dispute between the shareholders, on the one hand, and the Issuer's Management Board, on the other hand, affects the performance of these institutions and the results obtained during the reporting period, the objections in respect of the annual report should not prevent implementation of lawful procedures relating to submission of the Issuer's report to state authorities, at the same time the shareholders have the right to request to convene an extraordinary meeting where the Council and the Management Board will give an account for their activity and fulfilment of the shareholders' decisions.

4.17. The shareholders' meeting is entitled to take decisions if the required quorum of the shareholders present in the meeting has been ensured in accordance with the Articles of the Issuer:

4.17.1. in the first meeting convened – there are participating shareholders who own a total of not less than 50% of the shares of the Issuer's equity capital with voting rights plus one share;

4.17.2. in the repeated meeting convened – the meeting has the right to take decisions irrespective of the equity capital represented at it.

4.18. The persons who are entitled to open the convened shareholders' meeting in accordance with these Regulations shall notify on eligibility of the meeting before its opening. If the first meeting convened does not have the required quorum of shareholders, these persons shall notify about the above-mentioned and without opening it announces the meeting as not having taken place.

4.18.1. At the same time the persons who have to open the convened shareholders' meeting in accordance with these Regulations shall notify the present shareholders about the place and time of the meeting repeatedly convened and about procedures of its convening.

4.18.2. The meeting repeatedly convened shall take place not later than 15 (fifteen) days after the day of the meeting not having taken place.

4.18.3. Information on convening of the repeated meeting, as well as its agenda and draft decisions shall be published in the same manner as stated in § 3 of these Regulations.

4.18.4. On the day of the meeting not having taken place the Issuer's Management Board shall publish information on reasons why the meeting has not taken place, as well as the notice regarding the convening of a meeting of shareholders

- in Central Storage of Regulated Information of the Financial and Capital Market Commission,

- on home page of JSC "NASDAQ OMX Riga" on the internet through the GlobeNewswire system,

- in website of JSC "Ditton pievadkēžu rūpnīca" on the internet;

- in at least one regional newspaper.

4.19. Decisions of the shareholders' meeting shall be adopted by observing the quorum of the shareholders' votes determined in laws of the Republic of Latvia and the Issuer's Articles which have supported the decision:

4.19.1. 3/4 of the present shareholders' votes are necessary for taking decision if that clearly specified in laws of the Republic of Latvia and the Issuer's Articles;

4.19.2. majority of the present shareholders' votes is necessary for taking decision on other issues.

Before opening the meeting the persons who are entitled to open the convened shareholders' meeting in accordance with these Regulations shall inform the shareholders about the quorum of votes required for decision-making on each issue of the agenda from the number of shareholders present and registered for the meeting.

4.20. The Management Board of the Issuer is required to publish the decisions adopted immediately after the meeting and within 14 days to publish voting results on the homepage in the internet, which is specified in the notice regarding convening of the shareholders' meeting.

4.21. The chairperson and the secretary of the meeting being elected in the meeting are obliged to prepare and approve the final version of the minutes of the shareholders' meeting within 14 days, about which the chairperson of the meeting informs the shareholders present. Extension of the term for drawing up the minutes is admissible only for an important reason.

4.21.1. The volume and the content of the minutes of the shareholders' meeting is determined in the Article 285 of the Commercial Law, description of the course and content of discussion issues of the agenda shall be determined by the chairperson and the secretary of the meeting, who shall draw up the minutes.

4.21.2. The minutes shall be accompanied by documents relating to the underlying shareholders' meeting, as well as list of shareholders participating in the shareholders' meeting.

4.21.3. Accuracy and completeness of the minutes, made decisions and the course of discussing the issues of the agenda of the meeting having taken place shall be attested by two shareholders elected in the meeting.

4.21.4. Shareholders have the right to become acquainted with the minutes and the documents appended to it and to receive a copy or an extract from the minutes free of charge.

4.21.5. The Issuer shall ensure storage of the minutes. Direct work with the minutes, their registration and storage shall be performed by the Issuer's Council.

4.21.6. If the shareholder does not agree with the contents of the minutes and considers that there is no significant information include or there are technical mistakes or inaccuracies made, he has the right to request to make amendments and additions in the minutes within 3 (three) months from the day of the meeting.

This requirement shall not apply to amending the decision of the meeting, as well as voting results. If the chairperson and the secretary of the meeting do not agree with the requirement of a shareholder or he has missed deadlines for submission of claims, disputes shall be resolved with participation of the shareholders elected for attesting the minutes. Their decision is final and the shareholder can appeal against it pursuant to § 5 of these Regulations.

4.21.7. Technical mistakes, misprints or other deficiencies of the minutes, which do not apply to amendments of the text, can be corrected at any time by issuing a new version of the minutes or its addendum, specifying the mistakes corrected. Within 3 (three) months from the day of the meeting it shall be done by the chairperson of the meeting and the secretary, but after this period the Issuer's authorities and the persons who convened the meeting are entitled to do this.

4.21.8. If for unjustified reasons the chairperson of the meeting and the secretary delay drawing up and approving of the final version of the minutes for more than 30 (thirty) calendar days, the Issuer's institutions or persons who convened the meeting, are entitled to draw up the minutes and certify them with signatures of the shareholders elected in the meeting.

4.21.9. After expiration of term in which objections to the contents of the minutes can be lodged, the information set out in it is binding for the Issuer and the shareholders, as well as third parties in so far as it concerns them.

4.22. Break during the meeting is not provided, except for:

4.22.1. if so requested by shareholders by exercising voting rights in the voting;

4.22.2. if the meeting lasts for three (3) or more consecutive hours;

4.22.3. if interruption for technical reasons is necessary for preparation of secret ballots, performance of this vote and preparation of vote counting results;

4.22.4. if any of the shareholders participating in the meeting has requested the break in cases specified in the Regulations.

Duration of the break, if shareholders have not stated otherwise, is 15-30 minutes. The chairperson of the meeting shall notify about the start of the break and the resumption of the meeting.

4.23. If for some reasons the shareholder (or a group of shareholders) has to leave the meeting:

4.23.1. at his (their) request the meeting can set a lasting break and resume the work in time determined for the same or next day;

4.23.2. the meeting continues examining the agenda, having rejected the request of the leaving shareholder (or a group of shareholders) or if such request has not been submitted.

At deciding on a lasting break and time of resumption of the meeting the leaving shareholder (or group of shareholders) does not participate in voting on this matter.

If there shall be the decision taken on resumption of the meeting the next day, the Management Board shall give notice on it:

- in Central Storage of Regulated Information of the Financial and Capital Market Commission,
- on home page of JSC "NASDAQ OMX Riga" on the internet through the GlobeNewswire system,
- in website of JSC "Ditton pievadkēžu rūpnīca" on the internet.

4.24. If the shareholders' meeting shall continue, then votes of the shareholder (or group of shareholders) having left the meeting shall be counted as "abstained", unless this shareholder (or group of shareholders) will not submit to the chairperson of the meeting a written application indicating his (their) vote on pending issues of the agenda.

4.24.1. At voting the chairperson of the meeting leader shall read his application for his expression of will and his (their) votes shall be recorded accordingly in a voting protocol.

4.24.2. A written expression of will of the shareholder (or a group of shareholders) shall not be accepted if the draft decision has been amended (supplemented) or there shall be alternative draft decisions examined which have been submitted to the meeting after the shareholder (or group of shareholders) left the meeting.

4.25. The chairman of the meeting shall notify on completion examining of the whole agenda.

At the request of the shareholders' the chairman of the meeting is obliged to read all decisions made in the meeting

Shareholders are also entitled to include comments and objections into the minutes related to the meeting, its course and decisions taken.

The chairman of the meeting puts decision on closing the meeting to the shareholders' vote. After taking this decision, the meeting shall be considered to be closed.

## §5

### Final provisions of the Regulations

5.1. The shareholders exercise their rights to manage and control the activity of the Issuer and its institutions (Council and Management Board) in the shareholders' meetings. Public and fair exercising by developing collegiate decisions shall not be deemed as a form of influencing the Council and the Management Board and violation of their independence in accordance with criteria of the principles of corporate governance.

The shareholder can not be restricted in these rights in any way, unless otherwise specified in Latvian and European Union laws and regulations or his shareholder's rights are not burdened in lawful way, including by the court's decision, liens and other conditions.

The shareholders are not restricted in their rights to limit their rights voluntarily and consciously, based on collegiate decisions or corporate agreements.

The goal of these Regulations is systematization of procedures of the convening and course of the Issuer's shareholders' meetings for proper exercising and protection of the shareholders' rights.

5.2. All decisions taken in the meeting in respect of the Issuer, its Council and Management Board members, auditor, controller and the Issuer's shareholders enter into force on the day of meeting and after their publication

- in Central Storage of Regulated Information of the Financial and Capital Market Commission,

- on home page of JSC "NASDAQ OMX Riga" on the internet through the GlobeNewswire system,

- on the website of JSC "Ditton pievadķēžu rūpnīca" on the internet.

Another period of entry into force of the shareholders' decision may be prescribed by laws of the Republic of Latvia and the decision itself.

5.3. All decisions taken in the shareholders' meeting are binding to:

- the Issuer in the person of the Council, Management Board and its employees;

- the shareholders (taking into account also Article 281 of the Commercial Law);

- the third persons in so far as it is stated in legal norms of the Republic of Latvia or they relate to the interests of these persons.

5.4. Decisions subject to registration in public registers of the Republic of Latvia, are in force for third parties from the day when the appropriate registration in the registers has been performed, unless the third parties will not accept decisions of the meeting as binding prior to their registration in these registers.

5.5. Decisions of the shareholders' meeting shall be valid until their termination or cancellation, which can be realized on the basis of:

- the decision of the shareholder's meeting, by which the previous decision has been cancelled in whole or any part thereof, including, if a new decision has been taken, which automatically cancels the earlier one owing to relevance of the latter decision;

- expiration of a term or conditions, if in the decision there have been the terms and conditions set;

- achievement of goals set in the decision;

- the decisions of judicial authorities which in the proceedings have declared the shareholders' decision invalid or have suspended execution of the decision.

5.6. Procedures for appeal, cancellation, invalidation or suspension of execution of the decisions of shareholders' meetings are laid down in laws of the Republic of Latvia and these Regulations.

5.7. In the event the Issuer receives the court's decision on invalidity of the shareholders' decision (the decisions), the Management Board shall notify about it the Council, persons who have convened this meeting, as well as publishes information about it:

- in Central Storage of Regulated Information of the Financial and Capital Market Commission,
- on home page of JSC "NASDAQ OMX Riga" on the internet through the GlobeNewswire system,
- in website of JSC "Ditton pievadķēžu rūpnīca" on the internet.

5.8. The Management Board, the Council and/or persons who have convened this meeting in accordance with their competence have the right and obligation:

- to submit an application to public registers for cancellation of records which have been made on the basis of the decision of the shareholders' meeting which has been declared invalid;
- if the decision has been declared void due to violations of procedures of convening and course of the shareholders' meeting, but examining of this issue and taking decision on it is essential for the Issuer – to notify on convening of an extraordinary meeting of shareholders for examining of the decisions being declared void and during its course to eliminate the reasons of the court decision and ensure all legitimate procedures of the convening, course and taking decisions of the shareholders' meeting;
- if the decision has been declared void (fully or partly) in essence and due to its discrepancy (inconsistency) with laws of the Republic of Latvia and European Union, but examining of this issue and taking decision on it is essential for the Issuer – to notify on convening of an extraordinary meeting of shareholders for examining of the same issues, taking off discrepancies with laws of the Republic of Latvia and European Union detected in the court decision beforehand in the process of preparation of the meeting, the agenda and draft decisions, as well as at making decisions at the shareholders' meeting.

5.9. The Regulations on the convening and course of shareholders' meetings of the JSC „Ditton pievadķēžu rūpnīca” have been adopted in the Council meeting of the JSC „Ditton pievadķēžu rūpnīca” on 31.08.2011, Protocol No.150.

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