



**HANSAMATRIX**

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Joint stock company “HansaMatrix”  
**SHAREHOLDERS’ MEETING REGULATIONS**

Marupe, 2021

This version of regulations is a translation from the original, which was prepared in the Latvian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the regulations takes precedence over this translation.

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These regulations (hereinafter referred to as the Regulations) set forth the competence, procedures, duties, rights and liabilities of the Shareholders' Meeting of AS HansaMatrix (hereinafter referred to as the Company). The Regulations were approved on 26 May 2021 at the Shareholders' Meeting of the Company.

## **1. GENERAL**

1.1. Shareholders shall exercise their right to participate in the governance of the Company at Shareholders' Meetings.

1.2. In their activities, Shareholders' Meetings shall adhere to the current statutory regulations of the Republic of Latvia, the Articles of Association of the Company, other internal documents, these Regulations, and to the extent possible aim to adhere to the Corporate Governance Code recommendations developed by the Ministry of Justice of the Republic of Latvia Corporate Governance Advisory Board.

## **2. COMPETENCE OF SHAREHOLDERS' MEETINGS**

2.1. Shareholders' Meeting shall make decisions regarding the following:

2.1.1. annual reports of the Company;

2.1.2. distribution of profit from business in preceding year/years;

2.1.3. appointment and dismissal of members of the Council, auditor, administrator or liquidator of the Company;

2.1.4. bringing and dropping claims against members of the Board and the Council or auditors, appointing a representative of the Company to maintain a claim against members of the Council;

2.1.5. amendment of the Articles of Association of the Company;

2.1.6. increase or reduction of registered share capital;

2.1.7. issue or conversion of the Company's securities;

2.1.8. determining remuneration of members of the Council and the auditor;

2.1.9. terminating, continuing, suspending or resuming activities of the Company

or reorganization of the Company;

2.1.10. general principles, types and criteria of setting remuneration to members of the Board and the Council;

2.1.11. allocation of Company shares to employees and members of the Board and the Council.

2.2. Shareholders' Meetings shall make decisions on other matters, only if it is set out in statutory regulations of the Republic of Latvia.

## **3. ORDINARY SHAREHOLDERS' MEETING**

3.1. Ordinary Shareholders' Meeting shall make decisions on annual financial report, reports of the Board and the Council and distribution of profit in the preceding reporting year/years, as well as other matters on the agenda.

3.2. Ordinary Shareholders' Meeting shall be called by the Board annually. Ordinary Shareholders' Meetings shall be called within the term for approval of annual reports stipulated by law.

3.3. If the Board fails to call an ordinary Shareholders' Meeting within the stipulated term, it can be called by the Council or the Commercial Register.

3.4. For a fee, the Commercial Register calls an ordinary Shareholders' Meeting upon request of one or more shareholders, if the Meeting has not taken place within the stipulated term.

#### **4. EXTRAORDINARY SHAREHOLDERS' MEETING**

4.1. Extraordinary Shareholders' Meetings shall be convened as necessary. Extraordinary Shareholders' Meetings are called by the Board on its own initiative or when requested by the Council, the auditor or the shareholders jointly representing at least one twentieth of the share capital of the Company.

4.2. In their request, initiators of an Extraordinary Shareholders' Meeting shall specify the reason and agenda of the Meeting. Requests to call a Meeting shall be submitted to the Board and the Council and the auditor shall be informed.

4.3. An Extraordinary Shareholders' Meeting shall be called within three months after the receipt of the request.

4.4. The Board shall announce any Extraordinary Shareholders' Meeting within two weeks after the date of the receipt of the request. If the Board fails to announce an Extraordinary Shareholders' Meeting within two weeks after receiving a request, it can be called by the Council.

4.5. For a fee, the Commercial Register calls an ordinary Shareholders' Meeting, if the Meeting has not taken place within three months after the date of the receipt of the request and it has been requested by the auditor or the shareholders jointly representing at least one twentieth of the share capital of the Company.

#### **5. SPECIAL SHAREHOLDERS' MEETING**

5.1. If losses of the Company have reached at least half of the Company's share capital, the Company's solvency is limited or there are signs or a risk of an insolvency process, the Board shall inform the Council and call a Shareholders' Meeting and present its explanation there. The Shareholders' Meeting shall decide whether to apply for a legal protection or insolvency process, to terminate and liquidate the Company, to reorganize the Company, to change fixed capital or to make other decision to improve the financial situation of the Company.

#### **6. PROCEDURE FOR CALLING A SHAREHOLDERS' MEETING**

6.1. The Board of the Company shall give a notice of a Shareholders' Meeting immediately after the decision to call the Shareholders' Meeting has been made, but in any event at least 30 days before the date of the Meeting.

6.2. An announcement of a Shareholders' Meeting shall be given via Nasdaq information dissemination system and Financial and Capital Market Commission (FCMC) official system for centralized storage of regulated information.

6.3. The notice shall include:

- 6.3.1. Company's firm and registered address;
- 6.3.2. place and time of the Meeting;
- 6.3.3. type of the Meeting (ordinary or extraordinary);
- 6.3.4. the body calling the Meeting;
- 6.3.5. actions to be taken by the shareholders to enable them to participate and vote;
- 6.3.6. agenda and the time limits in which the shareholders can use their voting right before the Meeting or participate or vote at the Shareholders' Meeting by electronic means;
- 6.3.7. provisions of the Articles of Association on participation of shareholders' representatives in Shareholders' Meetings (if there are such provisions in the Articles);
- 6.3.8. agenda;
- 6.3.9. place and time for the shareholders to get acquainted with draft decisions on the matters on the agenda and other issues to be considered at the Meeting.

6.4. If there is a motion to amend the Articles of Association of the Company at the Shareholders' Meeting, a draft decision on the amendments to the Articles specifying which paragraphs are to be voided or amended shall be attached to the notice to the shareholders.

6.5. Shareholder shall be entitled to receive draft decisions free of charge at least 14 days before the Meeting via Nasdaq information dissemination system and Financial and Capital Market Commission (FCMC) official system for centralized storage of regulated information.

## **7. SHAREHOLDERS' MEETING AGENDA.**

7.1. Matters put on a Shareholders' Meeting agenda shall be determined by persons or a body calling the Meeting.

7.2. Shareholders representing at least one twentieth part of the Company's fixed capital can, within seven days of publication of the announcement or five days of the receipt of the notice, to request the body calling the Shareholders' Meeting to include additional items in the Shareholders' Meeting agenda.

7.3. The Board or other body calling the Shareholders' Meeting shall include additional items in the Shareholders' Meeting agenda and announce them in the same manner as the Meeting at least fourteen days before the Meeting.

## **8. MATTERS CONSIDERED BY SHAREHOLDERS' MEETINGS**

8.1. Shareholders' Meeting can make decisions only on those items on the agenda, which have been included in the publication of notice of the Meeting, except situations set out in paragraphs 7.2, 8.2 and 8.3 of the Regulations.

8.2. If all voting capital is represented at the Shareholders' Meeting, its shall be considered quorate regardless of the time and manner of calling and place it is held. Such meeting can consider and make decisions on any matters not put on the agenda, if all shareholders with voting right have agreed to it unanimously.

8.3. A Shareholders' Meeting can make decisions on the following matters (even if those have not been put on the agenda):

8.3.1. dismissing the Company Council, auditor, controller or liquidator, provided that in the event of dismissal of the Council or the auditor, a new Council or auditor is appointed;

8.3.2. bringing claims against member of the Company Board or the Council, controller, liquidator or auditor, if the Company's annual report is considered at the same Meeting;

8.3.3. calling a new Meeting.

8.4. If at least seven days before a Shareholders' Meeting, a shareholder has submitted a written request to the Board, at least three days before the Shareholders' Meeting the Board shall provide all the requested information in respect of items on the agenda. The Board may refuse to provide such information, only if its disclosure may result in substantial losses for the Company or its business partners or such information cannot be disclosed in accordance with law or the Articles of Association of the Company. Any disputes between shareholders and the Board in such matters shall be settled by the Shareholders' Meeting.

## **9. PARTICIPATION IN SHAREHOLDERS' MEETINGS**

9.1. Shareholders can participate in Shareholders' Meetings both personally and via a representative. A power of attorney shall be in writing and attached to the minutes of the Meeting. The power of attorney shall be presented before the start of the Meeting. Persons representing shareholders on the basis of law do not need a special power of attorney. Such persons shall present documents certifying such power.

9.2. Members of the Board and auditors, as well as at least one member of the Council, must participate in Shareholders' Meetings. Failure to comply with this provision shall not be a cause for declaring the Meeting void or contesting any decisions made by the Meeting.

9.3. A Shareholders' Meeting shall be quorate, if shareholders jointly representing at least 50% of voting capital of the Company participate in the Meeting.

9.4. If a Shareholders' Meeting is not quorate under paragraph 9.3 of the Regulations, a reconvened Shareholders' Meeting with the same agenda shall be quorate regardless of the number of voting rights represented at the Meeting.

## **10. REMOTE PARTICIPATION AND VOTING IN SHAREHOLDERS' MEETING**

10.1. A Shareholder shall have the right to vote in writing (including using electronic means) before a Shareholders' Meeting, if the following conditions are satisfied:

10.1.1. votes are cast in a manner that allows the Company to identify shareholders;

10.1.2. votes are received by the Company at least one day before a Shareholders' Meeting.

10.2. The Shareholder voting before a Shareholders' Meeting can ask the Company to confirm the receipt of the vote. The Company shall, immediately after receiving such shareholder's vote, send its confirmation to the shareholder.

10.3. On its own initiative or as requested by shareholders, if shareholders jointly represent at least 20 per cent of the Company's share capital and the Articles of Association do not stipulate other representation threshold, the Board shall ensure the right of the shareholders to participate or vote in a Shareholders' Meeting using electronic

means. In such event, the Board shall set forth requirements for shareholder identification and a procedure for the shareholders to exercise that right.

10.4. Shareholder's right to participate or vote in a Shareholders' Meeting using electronic mean shall not in any way limit shareholder's right to participate and vote in a Shareholders' Meeting in person.

10.5. Shareholders voting before a Shareholders' Meeting or participating or voting in a Shareholders' Meeting via electronic means shall be considered present at the Shareholders' Meeting and put on the list of shareholders participating in the Meeting. In such an event, the manner in which the shareholder participates or votes in the Shareholders' Meeting is noted on the list.

## **11. LIST OF SHAREHOLDERS AND DATE OF RECORD.**

11.1. The date of record is the date of the business day which is five business days before the shareholders' meeting and at the end of which the shareholders of the Company and their number of owned shares for the participation in the relevant shareholder's meeting are fixed, or the date established by the Company on which the rights to receive benefits from financial instrument events are fixed.

11.2. At least three days before a Shareholders' Meeting, the Board shall make a list of shareholders as of the date of record and make it available to shareholders upon request.

11.3. The list shall contain:

11.3.1. shareholder's name, surname, identity number (if the person does not have an identity number, date of birth, number of identity document number, date and country of issue and issuing authority), but for legal entities, name and registration number;

11.3.2. class, number and nominal value of shares belonging to the shareholder;

11.3.3. number of votes given to the shareholder by shares.

11.4. Before opening a Shareholders' Meeting, the Board shall make a list of shareholders participating in the Meeting including the information set out in paragraph 11.2 of the Regulations. The list shall additionally contain shareholder representative's (if one is authorised) name, surname, identity number (if the person does not have an identity number, date of birth, number of identity document, date and country of issue and issuing authority), but for legal entities, name (firm), registration number and its representative's name, surname, identity number (if the person does not have an identity number, date of birth, number of identity document number, date and country of issue and issuing authority).

11.5. Shareholders shall be acquainted with the shareholder list mentioned in the Regulations paragraph 11.2 before the first vote in the shareholders' meeting.

## **12. VOTING RIGHTS OF SHAREHOLDERS**

12.1. Each paid share with minimum nominal value and voting right shall give the right to one vote at a Shareholders' Meeting. Shareholders shall have voting rights based on the sum of nominal values of such shareholder's voting rights.

12.2. The shareholders who are on the list of shareholders participating in a Meeting shall have voting rights at the Shareholders' Meeting.

### **13. VOTING RIGHT RESTRICTIONS**

13.1. A shareholder does not have voting rights:

13.1.1. when taking a decision on their dismissal, vote of no confidence or bringing a claim against them, if the shareholder is a member of the Board, liquidator, auditor or controller of the Company;

13.1.2. when taking a decision in respect of any rights which the Company may use against them;

13.1.3. when taking a decision to release them from their obligations or liability to the Company;

13.1.4. when taking a decision on signing a deal with them or their affiliated persons.

13.2. Voting rights of shareholders may be limited in other events stipulated by statutory regulations.

### **14. HOLDING SHAREHOLDERS' MEETINGS**

14.1. A Shareholders' Meeting shall elect vote counters.

14.2. After opening of a Shareholders' Meeting, shareholders with voting rights shall elect the chair of the Meeting.

14.3. The chair shall propose a secretary (minute keeper) of the meeting and shareholders shall elect the secretary.

14.4. A Shareholders' Meeting shall also elect at least one voting shareholder with voting rights to attest the accuracy of the minutes of the Meeting.

14.5. Voting at a Shareholders' Meeting shall be open, except where secret ballot is requested by voting shareholders representing at least one tenth of fixed capital of the Company.

### **15. REPORTS PRESENTED TO SHAREHOLDERS' MEETINGS**

15.1. Upon request of the shareholders, the Board shall provide the meeting with information on the economic situation of the Company to such an extent as is necessary for the consideration of the relevant agenda item of the procedure and objective decision-making.

15.2. The Board may refuse to provide information, only if:

15.2.1. disclosure may lead to significant losses of the Company or its business partners;

15.2.2. such information cannot be disclosed pursuant to laws or the Articles of Association of the Company.

15.3. Even in the presence of circumstances set out in paragraph 15.2 of the Regulations, the Board cannot refuse to provide information relating to:

15.3.1. profit or losses of the Company;

15.3.2. solvency of the Company;

15.3.3. development prospects of the Company;



15.3.4. deals signed between the Company and its shareholder, member of the Board or the Council or an affiliated person.

15.4. Any disputes concerning refusal of the Board to disclose information shall be settled by court.

## **16. DECISION-MAKING AT SHAREHOLDERS' MEETINGS.**

16.1. Shareholders' Meetings make decisions with the majority of present shareholder votes, unless a higher number of votes is stipulated by law or the Articles of Association of the Company.

16.2. Any decisions in respect of amending the Articles of Association, termination or continuing, suspending or resuming of the operations of the Company, reorganization of the Company, signing, amending or terminating a concern agreement shall be considered passed by a Shareholders' Meeting, if at least three fourths of the present shareholders with voting rights have voted in favour and the Articles of Association do not require a larger number of votes.

16.3. Any decision of a Shareholders' Meeting related to the Company, members of its Board or Council, auditor, Company's controller and shareholders shall come into effect as soon it has been made, unless the decision or the law stipulates another effective date.

16.4. Voting on the candidates for the members of the Council included in the list of candidates shall take place in one vote, all shareholders voting at the same time. A shareholder is entitled to cast all his votes for one or more candidates for the members of the Council included in the list in any proportion in whole numbers. The persons elected to the Council shall be those who have obtained the most votes, observing the requirement for the maximum number of members of the Council specified in the Articles of Association of the Company.

16.5. When applying for a change in the composition of the Council to the Commercial Register Authority, the Board shall attach a list of Council members, the written consent of each Council member and the decision of the relevant shareholders' meeting.

16.6. When submitting amendments to the Articles of Association to the Commercial Register, an extract from the minutes of the Shareholders' Meeting containing the decision to amend the Articles and full text of the revision of the Articles of Association signed by the Board and the persons who have signed the minutes of the Shareholders' Meeting shall be attached thereto.

## **17. MINUTES OF SHAREHOLDERS' MEETINGS**

17.1. Minutes of Shareholders' Meetings shall contain:

17.1.2. firm of the Company;

17.1.3. the body that has called the Shareholders' Meeting and time of sending of the notice of the Shareholders' Meeting and when it has been published, if publication is required by law;

17.1.4. place and time of the Shareholders' Meeting;

17.1.5. the amount of the Company's subscribed share capital, paid share capital and share capital with voting rights;

17.1.6. share capital amount represented at the Shareholders' Meeting and number of votes of present voting shareholders;

17.1.7. name and surname of the chair of the Meeting, secretary, vote counters and the shareholder attesting the accuracy of the minutes;

17.1.8. Shareholders' Meeting agenda;

17.1.9. course and content of the discussion of the agenda items;

17.1.10. decisions made, specifying the number of votes cast for and against each decision;

17.1.11. objections of members of the Board and the Council, auditor, liquidator or shareholders.

17.2. The minutes shall be signed by the chair and the secretary of the Shareholders' Meeting and at least one shareholder appointed by the Meeting to attest the accuracy of the minutes. An original copy of the minutes or a derivative attested by the same persons who signed the original shall be submitted to the Commercial Register.

17.3. The list of shareholders and documents related to the Shareholders' Meeting shall be attached to the minutes.

17.4. Shareholders shall have the right to read the minutes and attached document and receive a copy or an extract thereof free of charge.

## **18. VOIDING A DECISION OF A SHAREHOLDERS' MEETING AND COURT CLAIMS**

18.1. Court can void a decision of a Shareholders' Meeting, if:

18.1.1. it is contrary to the goals of the Company, public interests or morals;

18.1.2. it affects rights of third parties;

18.1.3. it is contrary to law or the Articles of Association of the Company;

18.1.4. requirements of law of the Articles of Association of the Company related to calling a Meeting or giving a notice of a Meeting have been violated;

18.1.5. a shareholder was unlawfully prevented from participating in a Meeting;

18.1.6. a shareholder was unlawfully denied access to draft decisions, list of shareholders participating in the Meeting or minutes of a Shareholders' Meeting;

18.1.7. a shareholder was unreasonably denied any requested information, if that significantly affected shareholder's position on a specific matter;

18.1.8. voting rules were breached at a Meeting and it significantly affected result of the vote or requirements of law in respect of the number of cast votes were not satisfied;

18.1.9. requirements of paragraph 16.3 of the Regulations were not satisfied.

18.2. A voided decision of a Shareholders' Meeting does not affect any rights of third parties acquired in good faith.

18.3. An action to void a decision of a Shareholders' Meeting can be brought by:

18.3.1. a member of the Board or the Council;

18.3.2. any shareholder, in the events set out in paragraphs 18.1.1, 18.1.2, 18.1.3 of the Regulations, if the shareholder voted against the decision being contested and requested to note it in the minutes and, if the ballot was secret, objected to the decision being contested and asked to record it in the minutes;

18.3.3. any shareholder that did not participate in the Meeting, in the events set out in paragraphs 18.1.4, 18.1.5 of the Regulations;

18.3.4. a shareholder that was denied access to documents set forth in law, in the event set out in paragraph 18.1.6 of these Regulations;

18.3.5. a shareholder who has been unreasonable denied the requested information, in the event set out in paragraph 18.1.7 of the Regulations, if the vote of that shareholder was decisive to the vote;

18.3.6. a shareholder that was denied the opportunity to vote or that contests voting right of another shareholder or otherwise contests the voting procedure, in the event set out in paragraph 18.1.8 of these Regulations;

18.3.7. an interested shareholder, in the event set out in paragraph 18.1.9 of these Regulations.

18.4. The term for bringing an action to void a decision of a Shareholders' Meeting shall be three months of a date when the decision has become known or should have become known to the person, but cannot exceed one year of the date of the Meeting.

18.5. An action to void a decision of a Shareholders' Meeting shall be brought against the Company.

18.6. If an action is brought by a member of the Board, the Council shall represent the Company in court.

## **19. AMENDMENTS**

19.1. The Regulation shall be reviewed every 5 years, unless a need arises to amend them sooner.

19.2. Proposals for amending the Regulations may be submitted by shareholders of the Company, members of the Council or the Board, the Company auditor or other competent authority or official. Proposals for amending the Regulations shall be submitted in writing providing reasoning and specifying the paragraphs of the Regulations to be amended. The Board of the Company shall give an order to amend or review the Regulations extraordinarily where necessary.

19.3. Any amendments to the Regulations, a new revision of the Regulations or a decision of the Board to reject the proposed amendments to the Regulations shall be considered and approved by the Council of the Company.