

Approved with the decision No. _____

of

“KUREMES ATSLĒGA 1” shareholders' meeting

as of April 24, 2020

JOINT STOCK COMPANY “KURZEMES ATSLĒGA 1”

RULES FOR THE REDUCTION OF SHARE CAPITAL.

1. Reason for reduction of share capital

1.1. The reason for the reduction of the share capital of JSC “KUREMES ATSLĒGA 1” (hereinafter the Company) is the need to cover the Company's accumulated losses of previous years, improve the Company's balance sheet, which will allow the Company to participate in European financing for production development.

1.2. From the moment when the Register of Enterprises of the Republic of Latvia will register the reduced share capital, it will cover the Company's losses in the amount of EUR 191981 (one hundred and ninety-one thousand nine hundred and eighty-one euros).

2. Type of reduction of share capital

2.1. The share capital of the Company is reduced in accordance with the first of Article 262 of the Commercial Law, the third subparagraph - by reducing the nominal value of the Company's share.

3. Amount of reduction of share capital

3.1. The share capital of the Company before the reduction is EUR 1285401 (one million two hundred eighty five thousand four hundred one euro), which is fully paid.

3.2. The share capital of the Company before the reduction of the share capital is divided into 918144 shares, of which 656,356 are registered shares of the Company and 2,617,88 are bearer shares. Nominal value of one share EUR 1.40 (one euro 40 cents).

3.3. The share capital of the Company is reduced by EUR 367257 (three hundred and sixty – seven thousand and two hundred fifty-seven euros). After the reduction of the share capital of the Company, the share capital of the Company will be 918,144 (nine hundred eighteen thousand and one hundred forty four euros).

3.4. As a result of the reduction of the share capital, the nominal value of the registered and bearer shares of the Company is reduced by EUR 0.40 (40 cents), therefore the nominal value of the

Company's registered and bearer shares, after the reduction of the Company's share capital, will be EUR 1.00 (one euro).

3.5. The number of registered and bearer shares of the Company remains unchanged and remains the same 918,144 of which 656,356 are registered shares of the Company and 26,178 are bearer shares of the Company.

4. Exchange of shares

4.1. Exchange of the Company's bearer shares with a nominal value of EUR 1.40 (one euro 40 cents) against the Company's bearer shares with a nominal value of EUR 1.00 (one euro) will take place calculated on the date “ ____ ”. _____ year ____.

4.2. The exchange of the Company's bearer shares will be performed by the Joint Stock Company “Latvian Central Bank Depository” and as per Regulations No. 2 of the Latvian Central Depository “On a Financial Instrument registration and execution of events of financial instruments”, the registered share exchange will be carried out by the Board of the Company by compiling a new register of shareholders. This name and bearer share exchange will be performed only after the deadline for the submission of creditors' claims and registration of the reduced share capital of the Company in the Register of Enterprises of the Republic of Latvia

4.3. Creditors' claims shall be submitted in written at the registered address of the Company in Aizpute, 27 Kalvenes street, LV-3456, within one month from the notification of the Company's share capital reduction in the publication of the newspaper "Latvijas Vēstnesis".

Aizpute, ____ 2020 . _____

Chairman of the Board _____

Board members _____
