

Translation from Latvian

APPROVED by the Repeated Extraordinary
General Meeting of Shareholders
on November 15, 2004

With amendments APPROVED by:
Annual General Meeting of Shareholders
on April 30, 2009

Annual General Meeting of Shareholders
on July 25, 2013

Annual General Meeting of Shareholders
on June 11, 2014

**Joint Stock Company “LATVIJAS KUŅNIECĪBA”
ARTICLES OF ASSOCIATION
(new version)**

1. Firm name and the form of the commercial activities

- 1.1. Company's firm is a Joint Stock Company “LATVIJAS KUŅNIECĪBA”
- 1.2. The main forms of the commercial activities of the Company according to Statistical Classification of Economic Activities (NACE 2.red.) are:
 - 1.2.1. Sea and coastal freight water transport (50.2);
 - 1.2.2. Activities of holding companies (64.2);
 - 1.2.3. Activities of head offices (70.1);
 - 1.2.4. Another forms of commercial activities.

With amendments approved by annual general meeting of shareholders on April 30, 2009

2. Equity capital and type of stock

- 2.1. The Company's share capital is EUR 280,000,000 (two hundred eighty million euro), which is formed by 200,000,000 (two hundred million) dematerialized bearer shares. Nominal value of one share is EUR 1.40 (one euro and forty cents). All shares are shares of one category, giving equal rights to receiving dividends, liquidation quota and voting rights in a shareholders' meeting.

With amendments approved by annual general meeting of shareholders on June 11, 2014

3. Management Board

- 3.1. Management Board of the Company is made up of five Management Board Members. Chairman of the Management Board has been assigned full rights of representation and he may represent the Company individually, without special authorisation and independently from other Management Board Members. Other Management Board Members have rights to represent Company only jointly with at least one other Management Board Member.
- 3.2. The Management Board acts in accordance with the Management Board Regulations.

4. Supervisory Council

- 4.1. Company's Supervisory Council consists of twelve members.
- 4.2. Supervisory Council acts in accordance with the Supervisory Council Regulations.

5. Other Provisions

- 5.1. Shareholders' meeting rights to take decisions:
- 5.1.1. Shareholders' Meeting has rights to take decisions, if at least half of the Company equity capital is represented there. Decisions are passed with majority of the represented voting shareholders approval, unless law requires higher share of votes.
- 5.1.2. If the Shareholders Meeting does not meet quorum, recurrent Shareholders Meeting is to be announced within one month period. In such case Shareholders Meeting has rights to take decisions on all the items covered in Agenda regardless of the Company Equity capital represented.
- 5.2. In accordance with the Cabinet of Ministers Decree Nr 642, from 27 December, 2001 "On the Provisions for the Privatisation of the Joint Stock Company under privatisation "Latvijas kuģniecība"", Articles of Association shall continue to contain the following provisions:
- 5.2.1. the Company shall be registered in the Republic of Latvia, and its management shall be located in Latvia;
- 5.2.2. the Company shall retain the Company's name "LATVIJAS KUĢNIECĪBA";
- 5.2.3. the Company shall retain jobs at the shore units and on the ships owned by the Holding Company and the Holding Company's enterprises, as well as shall not change the crew recruitment policy (crewing mainly by seamen employed at the Holding Company and the Holding Company's enterprises - citizens and residents of Latvia). The Company shall ensure financial support to the Latvian Maritime Academy;
- 5.2.4. Company shall retain its line of business and maintain its fleet, as well as invest funds in fleet renovation in order to maintain its competitiveness, to ensure the Company's growth and increase the Company's value. The Company's ships may be sold in compliance with the generally accepted practice in the shipping business, as well as due to their ageing or in compliance with strategic decisions of the Company;
- 5.2.5. In accordance with the Cabinet of Ministers Decree, pursuant to the Cabinet of Ministers Order No. 394 "On the Debt Obligations of the State Stock Company in Privatisation "Latvenergo" and the State Stock Company in Privatisation "Latvian Shipping Company"", dated on 5th August 1998, neither the Company nor its stockholders, nor any

other legal successors to the rights and obligations of the Company or its stockholders, shall have any right to any claims, objections or liabilities against the Stock Company in Privatisation “Latvenergo”, or to any legal successor to its rights and obligations, the Government of Latvia or any governmental institution, pursuant to the Council of Ministers Decision No. 89 “On Debts of Particular State No. 354 “On Payments of the State Enterprise “Latvenergo” to the State Enterprise “Latvian Shipping Company””, dated on 6th July 1993, and the Cabinet of Ministers Order No. 568 “On Debts of the State Stock Company “Latvenergo””, dated on 11th October 1995.

- 5.3. In accordance with the Regulations Nr. 17/173 “Privatisation Regulations of the State Share Company for the Privatisation “Latvijas kuģniecība” “, passed by the Board of the Privatisation Agency on January 18, 2002, Articles of Association shall continue to contain the following provisions:
- 5.3.1. After the privatisation process, the Company shall act in accordance with Subsection 14.1 of the Privatisation Regulations;
- 5.3.2. 8% of shares owned by one shareholder or several shareholders jointly entitle to one seat at the Supervisory Council of the Company.
- 5.4. Consent of the Supervisory Council is required for the Management Board to resolve the following issues:
- 5.4.1. approval of the Company’s current year’s budget, operating plan, and investment program;
- 5.4.2. approval of the Regulations of the Management Board and the Regulations of the Supervisory Council;
- 5.4.3. obtaining, increasing or reducing interest in other companies;
- 5.4.4. acquiring or forfeit of companies;
- 5.4.5. opening or closing of new branches and representation offices;
- 5.4.6. acquiring, forfeiting or encumbering real property with rights in things;
- 5.4.7. conclusion of such transactions that exceed restrictions fixed in the Regulations of the Management Board;
- 5.4.8. issuing such loans that are not related to the Company’s normal business, giving warranties and conclusion of cession agreements, receiving loans, except receiving loans within the JSC “LATVIJAS KUĢNIECĪBA” Group (hereinafter – “the Group”);
- 5.4.9. issuing credits to the Company’s employees;
- 5.4.10. starting new types of business activity and discontinuing the current ones;
- 5.4.11. issuing voting assignments concerning a company included in the Group (hereinafter – “the Group company”) regarding the following matters:
- 5.4.11.1. approval of the operating strategy;
- 5.4.11.2. approval of the budget for the current year;
- 5.4.11.3. increase or reduction of the interest in another company, continuation or termination of operations, restructuring, entering into a holding agreement;
- 5.4.11.4. acquisition or forfeit of a company;
- 5.4.11.5. acquisition, forfeit or encumbering with property rights of a real estate;
- 5.4.11.6. issuing loans other than for customary commercial activity of the Group; issuing guarantees and entering into cession agreements;
- 5.4.11.7. entering into transactions in excess of the limits established in the Regulations of the Management Board of joint stock company “Latvijas kuģniecība”;

- 5.4.11.8. issuing loans to employees of the Group company;
- 5.4.11.9. receiving loans, except loans within the Group;
- 5.4.11.10. inception of new types of commercial activities and termination of existing types of activities;
- 5.4.11.11. entering into transactions on acquisition, forfeit or encumbering with property rights of vessels, except such transactions within the Group;
- 5.4.11.12. entering into transactions of forfeiting vessels to commercial management or technical management, except such transactions within the Group;
- 5.4.11.13. approval or amending the Articles of Association of the Group company;
- 5.4.11.14. adopting a resolution to bring a claim against any member of the management board, member of the supervisory council, auditor, shareholder (participant) thereof, and to appoint a representative for court proceedings..

(With amendments approved by annual general meeting of shareholders on July 25, 2013).

- 5.5. The audit committee of the Company consist of 3 (three) members of the audit committee. The general meeting of shareholders elect the audit committee for term of three years. Remuneration of members of audit committee determines the general meeting of shareholders.
(With amendments approved by annual general meeting of shareholders on April 30, 2009).

- 5.6. The work of the audit committee is chaired by the chairperson, who is elected from among the members of the audit committee. Audit committee acts in accordance with its confirmed Regulation.

(With amendments approved by annual general meeting of shareholders on April 30, 2009).

Robert Kirkup,

Joint Stock Company “LATVIJAS KUĢNIECĪBA”

Chairman of the Management Board,

Authorised representative of the shareholders of the Annual General Meeting of Shareholders held on June 11, 2014

Riga, June 12, 2014

Ģirts Apsītis,

Joint Stock Company “LATVIJAS KUĢNIECĪBA”

Chairman of the Annual General Meeting of Shareholders held on June 11, 2014

Riga, June 12, 2014

Solvita Masule,

Joint Stock Company “LATVIJAS KUĢNIECĪBA”

Secretary of the Annual General Meeting of Shareholders held on June 11, 2014

Riga, June 12, 2014

Ivars Bergmanis,

Joint Stock Company “LATVIJAS KUĢNIECĪBA”

Authorised representative of the shareholders of the Annual General Meeting of Shareholders held on June 11, 2014

Riga, June 13, 2014