

**Decisions of the Regular Meeting of Shareholders of
Joint stock company "Saldus mežrūpniecība"
(Reg.No.40003020121, 86C Kuldigas street, Saldus, LV-3801)
held on July 21, 2014**

Agenda:

1. Denomination of the share capital and par value of one share to euro of the JSC "Saldus mežrūpniecība".
2. Conversion of registered shares into bearer shares.
3. Amendments to the Articles of Association.
4. Inclusion of the converted bearer shares in the regulated market.
5. Reports of Management Board, Supervisory Council and statement of Sworn auditor on results of activity for 2013, approval of Annual report and Consolidated Annual report for the year 2013.
6. Distribution of profit for the year 2013.
7. Confirmation of the plan of action and the budget for 2014.
8. Election of auditor for the audit and determination of the remuneration for auditor.

(1) Denomination of the share capital and par value of one share to euro of the JSC "Saldus mežrūpniecība".

Decision: to approve the denomination of the share capital and par value of one share to euro of the Joint stock company "Saldus mežrūpniecība" determining that:

- The share capital of the Company is EUR 541 990,40 (five hundred forty one thousand nine hundred ninety euro and forty cents) divided into 387 136 (three hundred eighty seven thousand one hundred thirty six) shares. The par value of one share is EUR 1,40 (one euro forty cents).
- To transfer the remaining balance in amount of EUR 8 854,50 (eight thousand eight hundred fifty four euro and fifty cents) arising as a result of denomination of share capital from lats to euro to the reserves of JSC "Saldus mežrūpniecība".
- To fix that the denomination date is the 15th business day from the day of registration of corresponding amendments to the Articles of Association with the Commercial Register of the Enterprise Register of the Republic of Latvia.

Voting results: decision is taken with the required majority of the votes.

(2) Conversion of registered shares into bearer shares.

Decision: to approve the conversion of registered shares of JSC "Saldus mežrūpniecība" into bearer shares, determining that:

- 278 636 dematerialised shares are converted from registered shares of joint stock company "Saldus mežrūpniecība" with the nominal value of each share EUR 1,4.-, which gives equal rights to receive dividends, receive liquidation quota and vote in a shareholders' meeting, into 278 636 dematerialised bearer shares with the nominal value of each share EUR 1,4.-, which gives equal rights to receive dividends, receive liquidation quota and vote in a shareholders' meeting.
- The Management Board of Joint stock company "Saldus mežrūpniecība" takes the necessary actions to register the converted 278 636 dematerialised bearer shares with JSC "Latvijas Centrālais depozitārijs" (Latvian Central Depository), by fixing the composition of owners of the bearer shares that were converted from registered shares by entries in the shareholders' register as at the day of registration of corresponding amendments to the Articles of Association with the Commercial Register of the Enterprise Register of the Republic of Latvia.
- Along with registration of the conversion-related amendments to the Articles of Association within the Commercial Register of the Enterprise Register of the Republic of Latvia, to invalidate the share register of Joint stock company "Saldus mežrūpniecība" processed by the board of directors where the previous shares and the respective owners were registered.

Voting results: decision is taken with the required majority of the votes.

(3) Amendments to the Articles of Association.

Decision: to approve amendments to the Articles of Association of Joint stock company „Saldus mežrūpniecība”, according to the amendments in Annex No.1.

Voting results: decision is taken with the required majority of the votes.

(4) Inclusion of the converted bearer shares in the regulated market.

Decision: to approve the inclusion of the converted bearer shares in regulated market, determining that:

- 278 636 bearer shares of Joint stock company “Saldus mežrūpniecība” are included in the Baltic Second List of joint stock company “NASDAQ OMX Riga”, which previously were not included in the regulated market.
- The Management Board of Joint stock company “Saldus mežrūpniecība” is authorized to develop and approve a prospect, as well as other necessary documents for inclusion of the additional 278 363 bearer shares of Joint stock company “Saldus mežrūpniecība” in the Baltic Second List of joint stock company “NASDAQ OMX Riga”.
- The Management Board of Joint stock company “Saldus mežrūpniecība” takes the necessary actions to include the additional 278 363 bearer shares of Joint stock company “Saldus mežrūpniecība” in the Baltic Second List of joint stock company “NASDAQ OMX Riga”.

Voting results: decision is taken with the required majority of the votes.

(5) Reports of Management Board, Supervisory Council and statement of sworn auditor on results of activity for 2013, approval of Annual report and Consolidated Annual report for the year 2013.

Decision: To take notice of the report of the Board, Report of Council and the statement of the sworn auditor of joint stock company “Saldus mežrūpniecība”. To approve the following Annual Reports for the year 2013 prepared by the Board of joint stock company “Saldus mežrūpniecība”:

- Annual Report for the year 2013 of joint stock company “Saldus mežrūpniecība” prepared in accordance with the legislative acts of the Republic of Latvia;
- Consolidated annual Report for the year 2013 of joint stock company “Saldus mežrūpniecība” prepared in accordance with International Financial Reporting Standards (IFRS).

Voting results: decision is taken with the required majority of the votes.

(6) Distribution of profit for the year 2013.

Decision: to leave JSC “Saldus mežrūpniecība” profit (dividends) undistributed and use it for the development of JSC “Saldus mežrūpniecība” in order to increase the competitiveness of JSC “Saldus mežrūpniecība”.

Voting results: decision is taken with the required majority of the votes.

(7) Confirmation of the plan of action and the budget for 2014.

Decision: to approve the plan of action and the budget for 2014, determining that:

- The planned production volumes in logging ~ 250 000m³ yearly.
- The planned production and realization volumes for sawn timber ~ 200 000 m³ yearly.
- The planned turnover of JSC „Saldus mežrūpniecība” of Year 2014 is ~ EUR 53 000 000.

Voting results: decision is taken with the required majority of the votes.

(8) Election of auditor for the audit and determination of the remuneration for auditor.

Decision:

- *To elect Svetlana Koļesņikova as auditor of the Annual Reports of joint stock company "Saldus mežrūpniecība" for the year 2014, Taxpayer certificate Registration Nr. 0058404, LZRA number 22).*
- *To authorize the Management Board to determine the remuneration for the auditor not exceeding EUR 5040.*

Voting results: decision is taken with the required majority of the votes.

Annex No.1

APPROVED
By Annual General Meeting of shareholders of
JSC „Saldus mežrūpniecība”
held on July 21, 2014
(Minutes No. 21/07/2014)

AMENDMENTS TO ARTICLES OF ASSOCIATION OF
Joint stock company “Saldus mežrūpniecība”

1. To express the clause 2.1. of the Articles of Association of Joint stock company “Saldus mežrūpniecība (hereinafter referred to as “the Articles of Association”) in the following wording:

„2.1. The Company’s equity capital is EUR 541 990,40 (five hundred forty one thousand nine hundred ninety euro and forty cents). It is divided into 387 136 (three hundred eighty seven thousand one hundred thirty six) bearer shares. The par value of each share is EUR 1,40 (one euro forty cents). All shares are dematerialised.”

2. To express the sub clause No. 3) of the Clause 5.3. in the following wording:

„3) acquisition of real estate, if the transaction amount exceeds EUR 142 288 (one hundred forty two thousand two hundred eighty eight euro), alienation or encumbrance with rights in rem, if the transaction amount exceeds EUR 71 144 (seventy one thousand one hundred forty four euro).”.