

**DRAFT DECISION
ORDINARY GENERAL MEETING OF
SHAREHOLDERS 27.04.2015
ITEM 3 ON THE AGENDA**

Aktsiaselts BALTIKA Share Option Program

To approve the key terms and conditions (the '**Conditions**') of Aktsiaselts BALTIKA Share Option Program, which are as follows:

1. The purpose of Aktsiaselts BALTIKA (the „**Company**“) share option program is to motivate the Company's Management Board members by including them among the Company's shareholders in order to ensure consistency in the Company's management and improvement of the Company's performance and increase of the value of the shares, and to enable the Company's executive management to benefit from their contribution to growth in the value of the Company's share.
2. Under the share option program the Company shall issue in total up to 1,000,000 (*one million*) share options. Every share option grants the option holder the right to acquire 1 (*one*) share of the Company.
3. The eligible persons of this share option program are the members of the Management Board of the Company who are the members of the Management Board in 2015 - 2016.
4. The number of share options issued to individual Management Board members shall be determined by the Supervisory Council of the Company. The Supervisory Council of the Company shall notify every Management Board member included in the range of eligible persons of their relevant decision in writing.
5. One Management Board member, being an eligible person of the share option, is entitled to receive no more than 200,000 (*two hundred thousand*) share options, except the chairman of the Management Board Meelis Milder, who is entitled to receive up to 400,000 (*four hundred thousand*) share options.
6. In the event that the eligible person wishes to acquire the share option designated for him or her, that person has to execute with the Company at the latest by 31 December 2016 a written option agreement (the „Option Agreement“). If the eligible person does not conclude the Option Agreement within the referred term, the person loses the right for acquiring the share options allocated to him or her.
7. The implementation of the terms and conditions of the share option scheme, and the procedure for exercising the share option shall be set forth in the Option Agreement concluded by and between the Company and the eligible person. The terms and conditions of the Option Agreement are determined by the Supervisory Council of the Company.
8. The eligible person of this share option has the right to exercise the issued option after three year period following the issue of the option (signing the Option Agreement), whereas the share options can be exercised within two years after the eligible person to the share option received the right to exercise the share option in accordance with these Conditions. For exercising the option the eligible person shall submit the Company a statement of intent in accordance with the provisions of the Option Agreement.
9. The eligible person of the share option may not transfer the share options issued to him or her in any way, including transfer as a gift or via inheritance, except under clause 13 of the Conditions.
10. In case the Management Board member resigns irrespective of the reason, this Management Board member is no longer entitled to share options and the Option Agreement is terminated from the date the Supervisory Council of the Company resolves the application of the Management Board member on resignation, if the Supervisory Council does not decide otherwise.
11. The exercise of share options is subject to the following preconditions:

- If 30 day NASDAQ Tallinn *Volume-Weighted Average Price* share price of Baltika share is up minimum 25% from the last 30 days NASDAQ Tallinn *Volume-Weighted Average Price* share price preceding the approval of these Conditions, the eligible persons of the share options are free to exercise 25% of the share options;
 - If 30 day NASDAQ Tallinn *Volume-Weighted Average Price* share price of Baltika share is up minimum 50% from the last 30 days NASDAQ Tallinn *Volume-Weighted Average Price* share price preceding the approval of these Conditions, the eligible persons of the share options are free to exercise 50% of the share options;
 - If 30 day NASDAQ Tallinn *Volume-Weighted Average Price* share price of Baltika share is up minimum 75% from the last 30 days NASDAQ Tallinn *Volume-Weighted Average Price* share price preceding the approval of these Conditions, the eligible persons of the share options are free to exercise 75% of the share options;
 - If 30 day NASDAQ Tallinn *Volume-Weighted Average Price* share price of Baltika share is up minimum 100% from the last 30 days NASDAQ Tallinn *Volume-Weighted Average Price* share price preceding the approval of these Conditions, the eligible persons of the share options are free to exercise 100% of the share options;
12. In case the Management Board member is recalled from the Management Board, the execution of the share options takes places in accordance with the Option Agreement.
 13. In the event that shareholder or group of shareholders acting in concert acquire after the approval of the present Conditions the shares of the Company, which represent more than 30% of the total amount of votes at the time of acquisition, the Management Board member is entitled to require within 60 calendar days from the date of acquisition that the Company will purchase the share options with the price of 30 day NASDAQ Tallinn *Volume-Weighted Average Price* share price preceding the date the Management Board member executed the put option under this clause minus the price for exercising the share option.
 14. The price for exercising the share option shall be 0,20 euro per one share.
 15. The Company will issue one million (1 000 000) new shares to execute the share option program after the share price has been paid in full.
 16. The share price must be paid by the eligible persons to the Company at the latest within 30 calendar days following the date the eligible person delivered to the Company the statement of intent to exercise the share options. The share price must be paid to the Company's bank account.
 17. In order to execute the share option program the share capital is conditionally increased up to two hundred thousand (200 000) euros.
 18. The Supervisory Council shall arrange the execution of the share option program and can establish the detailed terms and time schedule of the share option program in accordance with these Conditions. The Supervisory Council shall resolve all issues related to the execution of the share option program.