

**Joint Stock Company  
"Air Baltic Corporation"  
(Hereinafter the "Company")**

**Articles of Association**

**1. Firm**

- 1.1. The name of the Company shall be the Joint Stock Company "Air Baltic Corporation".
- 1.2. The Company shall have the right to use the abbreviated name of the firm "airBaltic".

**2. Types of Commercial Activity**

- 2.1. The commercial activity of the Company is air transport and other services directly or indirectly related to air transport (NACE<sup>1</sup> 51.1, 51.10, 52.2.).
- 2.2. Conclusion of the Company's transactions if not corresponding to the type of commercial activity indicated in Paragraph 2.1 of the Articles of Association may not constitute the basis for their contestation or declaration invalid.

**3. Equity Capital**

- 3.1. The share capital of the Company is 256 472 824 euro. The share capital of the Company consists of 256 472 824 shares. The nominal value of each share is 1 euro.
- 3.2. All shares provide equal rights to receiving dividends, liquidation quote and to voting rights at the shareholders' meetings of the Company.
- 3.3. All shares are registered shares and are de-materialised.

**4. Shareholders' Meeting**

- 4.1. The shareholders shall exercise their rights to participate in the Company's management at the Company's shareholders' meeting.
- 4.2. The shareholders' meeting shall be entitled to adopt decisions irrespective of the capital represented therein.
- 4.3. Decisions at the shareholders' meeting shall be adopted by a majority of votes of the shareholders who are present and entitled to vote, except the following decisions for the adoption of which a majority of votes of not less than three fourths of the shareholders who are present and entitled to vote is needed:
  - 4.3.1. Amendment of the Company's Articles of Association;
  - 4.3.2. Increase or reduction of the Company's equity capital;
  - 4.3.3. Issuing and conversion of the Company's financial instruments;
  - 4.3.4. Company's reorganisation;
  - 4.3.5. Termination or continuation of the Company's activity;

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<sup>1</sup> According to Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains.

4.3.6. Conclusion, amendment or termination of a group of companies agreement, inclusion of the Company.

## **5. Supervisory Board**

5.1. The number of members of the Company's Supervisory Board shall be 4 (four). The Supervisory Board shall be elected for a period of 3 (three) years.

5.2. If a member of the Supervisory Board resigns or is removed from his or her post prior to the end of the Supervisory Board's term of office, upon election of new members of the Supervisory Board the other members of the Supervisory Board shall continue to perform the duties of members of the Supervisory Board.

5.3. The Supervisory Board shall adopt decisions by a majority of votes of the council members that are present.

5.4. Minutes of the Supervisory Board's meetings shall be kept at the Company's headquarters (registered office), and any shareholder shall have the right to familiarise him/herself with the minutes of the Supervisory Board's meetings and receive copies thereof free of charge.

## **6. Board**

6.1. The Company shall have 3 (three) members of the Board who manage and represent the Company jointly. The Board shall be elected for a period of 3 (three) years.

6.2. If a member of the Board resigns or is removed from his or her post prior to the end of the Board's term of office, upon election of a new member of the Board the other members of the Board shall continue to perform the duties of members of the Board.

6.3. Any issues specified in the Board Regulations shall be decided at the Board's meetings. Members of the Board may authorise other persons to represent the Company if this is not in contrary to the Board Regulations.

6.4. Meetings of the Board shall take place at the Company's registered office; and the members of the Supervisory Board are entitled to participate in such meetings.

6.5. The Board needs to obtain prior approval from the Supervisory Board in deciding on the following issues:

6.5.1. Establishment of the Company's subsidiaries, acquisition of holdings in other companies or an increase or reduction thereof directly or through incorporated companies controlled by the Company;

6.5.2. Transfer of the Company's enterprise, acquisition or disposal of other enterprises;

6.5.3. Acquisition and repossession of real estate, entering into the real estate lease agreements with a term exceeding three years and with the value exceeding EUR 100,000 (one hundred thousand euros) for the Company within a financial year;

6.5.4. Change of the Company's base airport, Riga International Airport (IATA code: RIX), as well as of any base airport (as the term is interpreted in the field of international air transport);

6.5.5. Change of the Company's registered office, headquarters or the location of the main type of activity;

6.5.6. Conclusion of any transaction between the Company or an enterprise controlled by it and a shareholder or an enterprise controlled by him or her, Board member, member of the Supervisory Board or their first-level relatives and spouses;

6.5.7. Transactions not characteristic to the commercial activity of the Company, including donations and a sponsorship plan within the framework of the financial year;

6.5.8. Entering or termination of significant transactions, the value of the expenses whereof for the Company exceeds EUR 1,000,000 (one million euros) within a financial year, and amending of such transactions, significantly effecting this transaction (for example, financial impact of the amendments exceeds EUR 100 000 or 10% of the transaction value within a

financial year of the Company, significant increase of the volume of contractual obligations of the Company);

6.5.9. Commencement or termination of legal proceedings or waiver of the rights in claims exceeding EUR 1,000,000 (one million Euros);

6.5.10. Acquisition, repossession of aircraft, entering into and termination of lease agreements (except for wet lease with the value up to EUR 1,000,000 (one million euros);

6.5.11. Conclusion of pledge agreements or establishment of other encumbrances of the Company's property or a part thereof;

6.5.12. Issuing of the Company's guarantees or financial guarantees, amendment thereof;


6.5.13. Conclusion of an agreement with the Company's auditor;

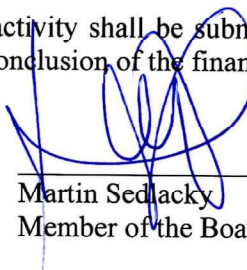
6.5.14. Approval of the Board Regulations;

6.5.15. Company's entering in, withdrawal from (in the capacity of a member or other) the global airline alliances (such as Sky Team, Oneworld, Star Alliance) or substantial changes in the rules of participation thereof.

6.6. If the Supervisory Board rejects the Board's proposal in the issues set out in Paragraph 6.5, the Board shall have the right to convene without delay a shareholders' extraordinary meeting which adopts a decision in the given issue.

6.7. The Board's report on its activity shall be submitted to the shareholders' meeting no later than within 6 (six) months from the conclusion of the financial year.

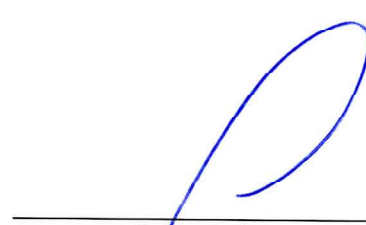
  
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Martin Gauss  
Chairman of the Board

  
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Martin Sedlacky  
Member of the Board

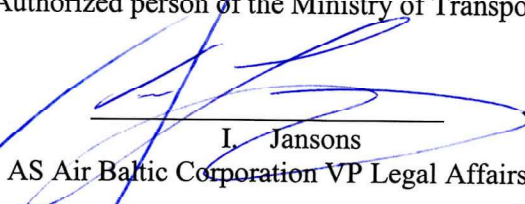
  
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Vitolds Jakovlevs  
Member of the Board

Marupes district, 27 March 2017  
On behalf of the shareholders,

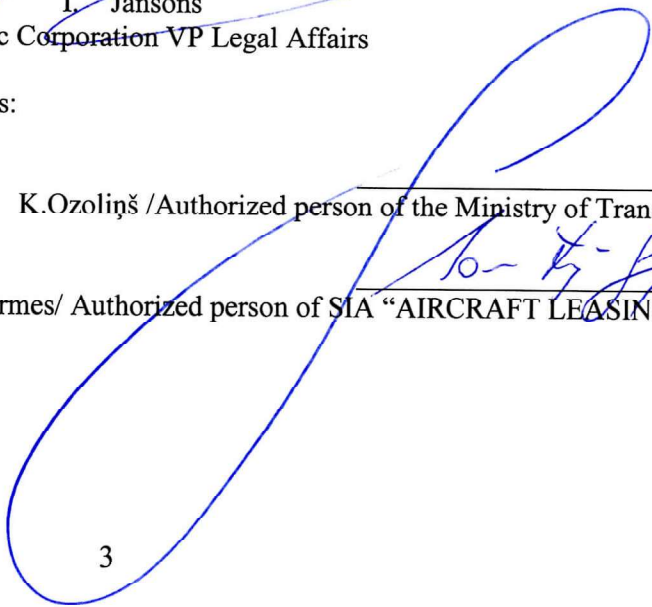
Chairman of the Meeting:

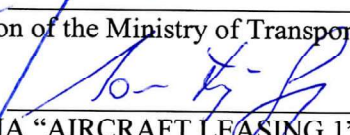
  
\_\_\_\_\_  
K. Ozoliņš  
Authorized person of the Ministry of Transport

Secretary of the Meeting:

  
\_\_\_\_\_  
I. Jansons  
AS Air Baltic Corporation VP Legal Affairs

Certifiers of the correctness of the Minutes:

  
\_\_\_\_\_  
K. Ozoliņš / Authorized person of the Ministry of Transport

  
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Ralf-Dieter Montag Girmes/ Authorized person of SIA "AIRCRAFT LEASING 1"