

DRAFT REORGANIZATION AGREEMENT

Saldus, June 10, 2021

Limited Liability Company "PAKUĻU SPORTA BĀZE", registration number: 48503009010, legal address: "Mežvidi", Mežvidi, Novadnieku parish, Saldus municipality, LV-3801 (hereinafter - the **Acquired Company**), on the basis of the Statutes represented by its member of the Board Jānis Bertrāns, and

Joint Stock Company "PATA Saldus", registration number: 40003020121, legal address: Kuldīgas Street 86C, Saldus, Saldus municipality, LV-3801 (hereinafter - the **Acquiring Company**), on the basis of the Statutes represented by its Chairman of the Board Gatis Zommers,

together hereinafter referred to as the Parties and individually as a Party,

considering that the Acquiring Company is the sole member of the Acquired Company and the owner of 100% of the share capital;

agree as follows:

1. The Parties agree on reorganization of the Acquiring Company and the Acquired Company by merging the Acquired Company into the Acquiring Company in accordance with the provisions of this Agreement and the Commercial Law.
2. Through reorganization of the parties, the share capital of the Acquiring Company will not be increased. All 996 (nine hundred and ninety-six) shares in the Acquired Company are owned by the Acquiring Company.
3. Due to the fact that the shares of the Acquired Company belong to the Acquiring Company, based on Section 371 of the Commercial Law, the shares of the Acquiring Company will not be exchanged for the shares of the Acquired Company (stock) and no share exchange ratio and premium will be determined. Due to the fact that the shares of the Acquiring Company are not transferred, it is not necessary to determine the moment from which they will give the right to dividends and profits.
4. From the effective date of reorganization (the date of the decision of the State Notary of the Register of Enterprises), transactions of the Acquired Company will be considered as the transactions of the Acquiring Company in the accounts of the Acquiring Company.
5. The rights of employees of the Acquired Company are not affected by the reorganization, the employees continue employment relationship in the Acquiring Company. The rights of employees of the Acquired Company will not be affected by reorganization - it is not planned to reduce the number of employees and all employees of the Acquired Company will continue their employment with the Acquiring Company.
6. From the date of acquisition, employees of the Acquired Company will be considered employees of the Acquiring Company.
7. If necessary, the Acquiring Company will amend existing employment contracts or enter into new employment contracts with the employees of the Acquired Company, if they agree to continue employment relationship with the Acquiring Company.
8. Notwithstanding provisions of Clauses 6 and 7 of this Agreement, the Acquiring Company has the right after acquisition to restructure the Company operations and reduce the number of employees in accordance with the provisions of Latvian Labor Law, if necessary.

9. As of the effective date of reorganization, Jānis Bertrāns, a member of the Board of the Acquired Company, is removed from the position of a member of the Board.
10. The Parties agree that all property of the Acquired Company will be deemed to have become the property of the Acquiring Company upon the effective date of reorganization (entry in the Commercial Register).
11. The Acquiring Company confirms that it is aware of the amount of liabilities and assets of the Acquired Company.
12. The Parties undertake to submit it to the Commercial Register authority within 14 (fourteen) days from the moment of development of this draft agreement, together with notification on reorganization.
13. The parties confirm that in accordance with the provisions of the Commercial Law, no reorganization prospectus is prepared, as well as auditor does not examine reorganization agreement.
14. The Parties undertake to inform all their creditors within the terms specified in the Commercial Law, as well as to place advertisements in the newspaper "Latvijas Vēstnesis" in accordance with the procedures specified in the Commercial Law.
15. The terms of this draft agreement may be amended by agreement of the Parties, with the final version of the agreement being developed and approved by the Extraordinary Meeting of the Parties.
16. The Acquiring Company will bear all current or planned costs related to the performance of this Agreement.
17. The Agreement has been drawn up and signed in 4 (four) original copies - one copy for the Acquiring Company, one copy for the Divisible Company and two copies for the Register of Enterprises. The Companies agree to sign additional copies of the Agreement, if this is necessary for the re-registration of ownership of the property in public registers.

On behalf of the Acquired company
SIA "PAKUĻU SPORTA BĀZE"

On behalf of Acquiring company
AS "PATA Saldus"

Jānis Bertrāns
Member of the Board

Gatis Zommers
Chairman of the Board