

Unofficial translation from Estonian.



MERLE SAAR-JOHANSON, NOTARY PUBLIC IN AND FOR TALLINN

REGISTRATION NUMBER

IN THE REGISTER OF NOTARIAL ACTS

940

MERGER AGREEMENT

I, Riina Toss, substitute to Merle Saar-Johanson, Notary Public in and for Tallinn, with her office situated at Rävåla 3/Kuke 2, Tallinn, have prepared and attest to the truth of this notarial deed on this twenty-first day of February in the year two thousand and seven (21.02.2007). The parties to the notarial deed are:

aktsiaselts Norma, registry code 10043950, address Laki 14, Tallinn, 10621, e-mail address norma@norma.ee, represented by the following member of the management board entered on the registry card: **Peep Siimon**, personal identification code 35901230296, who was identified on the basis of his passport,
and

Aktsiaselts „Tööriistavabrik”, registry code 10000410, address Laki 14, Tallinn, 10621, e-mail address grigori.gersman@trv.norma.ee, represented by the following member of the management board entered on the registry card: **Grigori Geršman**, personal identification code 35505120236, who was identified on the basis of his passport, who hereby agree as follows:

1. ACQUIRING COMPANY

1.1.The acquiring company is **aktsiaselts Norma**, registry code 10043950, with its seat in Tallinn, Estonia, and its share capital amounting to one hundred and thirty-two million (132,000,000) EEK, hereinafter referred to as the **Acquiring Company**.

1.2.According to the articles of association of the Acquiring Company, the Acquiring Company has one class of registered shares with a par value of ten (10) EEK each.

2. COMPANY BEING ACQUIRED

- 2.1.**The Company Being Acquired is **Aktsiaselts „Tööriistavabrik”**, registry code 10000410, having its seat in Tallinn, Estonia, with the share capital of eight million fifty-two thousand (8,052,000) EEK, hereinafter referred to as the **Company Being Acquired**;
- 2.2.** Pursuant to the articles of association of the Company Being Acquired, the Company Being Acquired has one type of registered shares with a par value of one thousand (1,000) EEK;

3. REPRESENTATIONS AND WARRANTIES OF THE PARTIES

- 3.1.** The merging companies hereby represent and warrant that:
- 3.1.1.** as at the date of this agreement, no resolutions have been adopted on altering the amounts of the registered share capital of the Acquiring Company or the Company Being Acquired;
- 3.1.2.** the shares of the Company Being Acquired have not been encumbered with any third party rights;
- 3.1.3.** the assets of the merging companies have not been encumbered with a commercial pledge;
- 3.1.4.** the information set forth in clause one and/or two hereof has not changed;
- 3.1.5.** the Acquiring Company is the sole shareholder of the Company Being Acquired;
- 3.2.** Members of the management boards of the Acquiring Company and the Company Being Acquired hereby represent and warrant that their powers as members of the management board are valid, they have not been removed, and their term of office has not expired or has been properly extended.
- 3.3.** The representatives of the Acquiring Company and the Company Being Acquired hereby represent and warrant that there are no disputes pending with regard to the Acquiring Company and the Company Being Acquired or their shares.
- 3.4** The parties hereby represent and warrant that there are no circumstances, which would prejudice or preclude the right of the parties to enter into this agreement.

4. MERGER

- 4.1.**The Company Being Acquired will merge with the Acquiring Company on the terms and conditions set out herein. The Acquiring Company will integrate the Company Being Acquired with it.
- 4.2.**As a result of the merger, the Company Being Acquired will be dissolved and the Acquiring Company will become the legal successor of the Company Being Acquired.
- 4.3.**Following the merger, the Acquiring Company shall continue to operate under the business name of “aktsiaselts Norma”.
- 4.4.**Ernst & Young Baltic AS (registry code 10877299) has been appointed by all the merging

companies to audit the merger agreement. The audit shall be paid for on the basis of the invoices issued by said auditing firm.

- 4.5.No benefits or incentives will be granted to the members of the management board or supervisory board of the merging companies in connection with the merger.
- 4.6.The shares of the Company Being Acquired will not be exchanged and will cease to be valid because, according to the share register of the Company Being Acquired (kept by the Estonian Central Register of Securities), the Acquiring Company is the sole shareholder of the Company Being Acquired.
- 4.7.Neither of the merging companies has issued any preferred shares or securities other than the shares; neither of them has any shareholders with special rights. The Acquiring Company grants to the shareholders of the Company Being Acquired equal rights with the shareholders of the Acquiring Company.

5. AGREEMENTS REGARDING THE TRANSFER OF ALL OF THE ASSETS OF THE COMPANY BEING ACQUIRED

- 5.1. The Company Being Acquired and the Acquiring Company hereby agree that all of the assets of the Company Being Acquired will be transferred to the Acquiring Company.

6. MERGER BALANCE SHEET DATE

- 6.1. The merger balance sheet date, i.e. the date as of which the transactions of the Company Being Acquired shall be deemed made by the Acquiring Company, shall be 01.01.2007.

7. EMPLOYEES

- 7.1. All the rights and obligations of the employer arising from employment contracts signed with the employees of the Company Being Acquired shall transfer to the Acquiring Company from the date of making the entry of the merger in the commercial register of the seat of the Acquiring Company.

8. EXPLANATIONS OF NOTARY PUBLIC

The notary public has explained to the undersigned that:

- 8.1. Pursuant to § 397 (1) of the Commercial Code, rights and obligations shall arise from a merger agreement if the merger agreement is approved by all merging companies. A merger resolution must be in writing.
- 8.2. § 419 (4) of the Commercial Code stipulates that at least one month before the general meeting to decide on merger, the management board shall submit a merger agreement to

the registrar of the commercial register and shall publish a notice concerning entry into the merger agreement in the official publication *Ametlikud Teadaanded*. The notice shall set out that the merger agreement is available for examination in the registration department and in a place designated by the management board.

8.3. According to § 419 (1) of the Commercial Code, the shareholders shall be provided with the opportunity to examine the merger agreement, the merging companies' annual and activity reports for the three preceding years, the merger report and auditor's report at least one month before deciding on approval of the merger agreement.

8.4. § 399 (1) of the Commercial Code sets forth that the acquiring company shall, immediately after registration of the merger with the commercial register of the seat of the acquiring company, publish a notice concerning the merger to the creditors of the merged companies in the official publication *Ametlikud Teadaanded* and inform them of the opportunity to submit their claims for having a guarantee to the acquiring company within six months from the date of publishing the notice.

8.5. Pursuant to § 400 (1) of the Commercial Code, the management board of or the partners entitled to represent a merging company shall submit a petition for entry of the merger in the commercial register of the seat of the company not earlier than one month after approval of the merger agreement.

8.6. A registrar may enter a merger in the register only if the final balance sheet of the company being acquired is prepared as at a date not earlier than eight months before submission of the petition to the commercial register. The provisions for preparation and approval of an annual report shall apply to the preparation and approval of a final balance sheet. The final balance sheet shall be prepared as at the date preceding the merger balance sheet date.

8.7. The assets of a company being acquired will transfer to the acquiring company as of entry of the merger in the commercial register of the seat of the acquiring company. After entry of the merger in the commercial register of the seat of the acquiring company, entries regarding the transfer of assets will be made in registers on the petition of the acquiring company. A company being acquired is deemed to be dissolved as of entry of the merger in the commercial register of the seat of the acquiring company.

8.8. Pursuant to § 403 (3) of the Commercial Code, the partners or shareholders of the company being acquired will become partners or shareholders of the acquiring company as of entry of the merger in the commercial register of the seat of the acquiring company, and their shares will be exchanged for shares of the acquiring company. The rights of third persons with regard to the exchanged shares will remain valid with regard to the shares of the acquiring company.

8.9.The members of the management board and supervisory board, or the managing partners of a merging company are solidarily liable to the company, the partners or shareholders, or the company's creditors for any damage wrongfully caused by the merger. The limitation period for such claim is five years from entry of the merger in the commercial register of the seat of the acquiring company.

8.10. Pursuant to § 6³ (1) of the Republic of Estonia Employment Contracts Act, the former and the new employer must submit, in writing, all relevant information to the representatives of the employees or in their absence to the employees, in good time, but not later than one month prior to the transfer of the employment contracts in the cases specified in § 6, setting out the following:

- 1) the proposed date of the transfer of employment contracts;
- 2) the reasons for the change of employer;
- 3) the legal, economic and social implications of the change of employer for the employees;
- 4) any measures envisaged in relation to the employees.

(2) Where the former or new employer envisages measures in relation to his employees in connection with the transfer of employment contracts, the employer must consult the representatives of the employees on such measures with a view to reaching an agreement.

(3) During the consultations, the representatives of the employees have the right to meet with the representatives of the employer and the members of the directing bodies of the employer and submit, within the period of at least fifteen days as of the receipt of the information specified in subsection (1) of this section, their written proposals with regard to the proposed measures in relation to the employees, unless a longer period is agreed upon. Employers are required to give reasons for refusal to consider such proposals.

8.11. § 7 (1) of the Commercial Pledges Act stipulates that if in the case of merger of companies a commercial pledge was established on property of more than one company being merged, the merger may be entered in the commercial register only if together with the application for entry of the merger in the register a notarised agreement of the pledgees regarding the ranking of pledge entries is submitted to the registrar of the commercial register.

9. ORIGINAL NOTARIAL DEED AND ISSUE OF FIRST TRANSCRIPTS AND COPIES

9.1. This notarial deed has been made and signed in one (1) original, which shall be maintained at the office of the notary public.

9.2. First transcripts of the notarial deed shall be issued to the Acquiring Company and the Company Being Acquired at the date of making this notarial deed.

9.3. The management board of a merging company shall file a certified copy of this notarial deed with the commercial register.

10. COSTS OF ENTRY INTO THE AGREEMENT

10.1. The costs relating to entry into this agreement shall be paid by the Acquiring Company.

10.2. The Acquiring Company shall pay the notary fee at the office of the notary public in cash or by means of a payment card or deliver the notary fee by a bank transfer to the current account of the notary public within three (3) business days from the signing of this agreement. The notary public is entitled to withhold first transcripts of the notarial deed until payment of the notary fee.

This notarial deed was read aloud to the parties in the presence of the attester hereto, presented for review, and was thereafter approved and signed in handwriting in the presence of the attester.

This document contains 6 pages, bound with strings and sealed with an embossing seal.

Notary fee:	168,000 EEK (§ 3 and 22, § 18 (2) and § 23 2) of the Notary Fees Act; transaction value 100,000,000 EEK)
VAT:	30,240 EEK
Total:	198,240 EEK

kr

A fee for preparation and certification of copies and a fee for preparation of first transcripts shall be added to the foregoing fees.

given name and surname, signature

given name and surname	/signature/
------------------------	-------------

given name and surname, signature

given name and surname	/signature/
------------------------	-------------

Substitute to the Notary Public signature stamp

NOTARIAL CERTIFICATE

In Tallinn, on this 21st day of February of the year 2007

I, Riina Toss, substitute to Merle Saar-Johanson, Notary Public in and for Tallinn, with her office situated in Tallinn, at Rävåla pst 3 / Kuke 2, attest to the truth of this copy made of the original document.

This document comprises 7 pages, including the page containing the notarial certificate, bound with strings and sealed with an embossing seal.

Registration number in the register of notarial acts: 942

Notary fee: 63 EEK (§ 31 17) and § 35 of the Notary Fees Act)

VAT: 11.34 EEK

Total: 74.34 EEK