

**ROS AGRO PLC**  
**("the Company")**

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE ABOVE  
COMPANY HELD AT THE FOUR SEASONS HOTEL IN LIMASSOL  
ON 11<sup>TH</sup> MAY 2018 AT 09:00**

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PRESENT:	Richard Andrew Smyth	- Director
	Anastasios Televantides	- Director
	Maxim Basov	- Director
	Vadim Moshkovich	- Director
	Ganna Khomenko	- Director
	 Ganna Khomenko	 - Secretary of the Meeting

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**CHAIRMAN/  
QUORUM**

1. IT WAS RESOLVED that Mr. Vadim Moshkovich be appointed as Chairman of the Meeting. IT WAS NOTED that a quorum was present and that the Meeting was duly constituted in accordance with the Company's Articles of Association.

**Q1 2018 BUSINESS  
RESULTS**

2. A Presentation to the Board of Directors for the Q1 of 2018 was made to the Board. The breakdown by division was presented and, in brief, Mr. Basov stated that in Q1 2018 all businesses were operating at low price environment. Improved processing margins only partly offset decreased marginality. The Company has faced a decrease in its sales revenue, driven by nearly all divisions. Turning to Sugar Division, Mr. Basov has noted that profitability has decreased, the main reasons for declining profitability was a significant drop in sales prices of sugar and buckwheat and a decrease in sales volume of the segment. In respect of Meat Division, Mr. Basov has pointed out that the sales have decreased as a result of a decrease in sales prices of livestock pigs and processed pork and decrease in sales volume of livestock pigs. Group's Agriculture division had a significant decrease in profits, mainly due to a decrease in sales volumes of almost all crops. Mr. Basov has informed the Board that Oil & Fats division's performance has been positively impacted by an increase in sales volume of all products in SAPP and Far East division which was partly offset by a decrease in sales volume of mayonnaise and a decrease in sales prices of all products (excluding mayonnaise). Overall, these factors resulted in EBITDA margin decreasing from 15% in Q1 2017 to 11% in Q1 2018.

Concluding, Mr Basov has noted that Group Management is constantly evaluating current market conditions and works on modifying the Group's strategy in accordance with changing market.

**AUDIT COMMITTEE  
MEETING REPORT**

3. Mr. Televantides informed the Board of Directors that a meeting of the Audit Committee (AC) took place in Moscow on 7<sup>th</sup> May 2018, minutes of the Meeting have been presented to the Board and are attached as Appendix A hereto. In brief, Mr. Televantides stated that the AC approves the financial results for the three months ended 31 March 2018.

Mr. Televantides has also informed the Board that the during Q1 2018, the Internal Audit carried out tests in the Meat Division and

several weaknesses were apparent, two of which were very significant namely: a) understatement of prices to specific customers while declining to sell to offers with substantially higher prices, without having a good reason for the refusal, with a substantial potential loss; b) manipulations on recording of volumes of manure plumbed with high risk of increasing the mortality of animals.

Although both cases related to the period prior to the implementation of the new controls, the management is taking action to clear its working force from members of staff inclined to defraud the company.

It was stressed by Mr Televantides that tests should be carried out on these issues in the period following the implementation of the new controls to ensure the elimination of the risks.

**PRESS RELEASE  
ON FINANCIAL  
RESULTS Q1 2018**

4. A draft of the press release, due to be published at the closure of the Meeting, was presented to the Board and it was unanimously resolved that it is approved.

**MEAT STRATEGY**

5. A Presentation on development and key strategic targets of meat division for the years 2019-2024 was presented to the Board, for its consideration. Mr. Basov briefed the Board with presentation setting out the key strategic targets, priorities, objectives and risks in sales and market share.

**M&A ACTIVITY**

6. Mr. Basov provided update to the Board on several opportunities and ongoing M&A possibilities for 2018.

**PWC PROPOSAL  
FOR AUDIT  
SERVICES 2018-2020**

7. The Board was presented with the proposal for audit services 2018-2020 from PwC for consideration and it was unanimously resolved that it is approved.

**TERMINATION:**

8. There being no other business, the Meeting is concluded at 10:45.

**THE SECRETARY**

Ganna Khomenko



**THE CHAIRMAN**

Vadim Moshkovich

