

**Nordecon AS  
REPORT OF THE COUNCIL  
ON THE 2013 FINANCIAL YEAR**

At a meeting held on 24 April 2014, the council of Nordecon AS reviewed the annual report of Nordecon AS for 2013, comprising of the consolidated financial statements and management's discussion and analysis as well as the appended independent auditor's report and profit allocation proposal. The council decided to approve the annual report of Nordecon AS for 2013, and to submit the reports and the profit allocation proposal prepared by the board for final approval to the annual general meeting, as submitted by the board.

The council has been formed and has conducted its activities in accordance with the articles of association of Nordecon AS and the laws and regulations of the Republic of Estonia.

In 2013 the council held 5 meetings where among other topics the following items were discussed:

On 21 January the council decided to approve the proposal made by the management board to divest Nordecon AS' 49 per cent share in OÜ Pigipada and to sell it as an intra-group transaction to subsidiary OÜ Hiiu Teed.

On 14 March the council reviewed the preliminary financial result of 2012 of the group, approved the budget and investment plan for 2013. In addition the council approved the changes in the organisation structure in Nordecon AS and prolongation of loans to subsidiaries.

On 25 April the council approved the annual report for 2012, reviewed the profit allocation proposal, and approved the agenda for the annual general meeting of shareholders with draft decisions from the council. The council also approved the distribution of performance bonuses for management board. The council reviewed the financial results of the first three months of 2013. An approval was given for the sale agreement of Savi 41a land plot in Tartu.

On 3 September the council reviewed the financial results of the nine months of 2013 and the year-end prognosis for the same year. A prognosis of the 2013 investment plan was also reviewed. The council approved the financing plan for the stage I of Magasini 29 real estate development. The following reviews and decisions were made regarding group companies: increase of the loan limit and prolongation of the loan to EE Ressursid OÜ, increase of share capital of Unigate OÜ.

The council acknowledged the overview by the management board regarding the group's activities in Ukraine.

On 18 December the council decided to appoint Mr Avo Ambur and Mr Erkki Suurorg as members of the board of Nordecon AS for another three-year term of office and gave the chairman of the council the proxy to agree the respective contracts with the board members. The contract with the chairman of the management board was also revised and the respective proxy for the changes to the chairman of the council given.

Toomas Luman  
Chairman of the Council  
24 April 2014