

**Nordecon AS
ANNUAL REPORT OF THE SUPERVISORY BOARD
REGARDING FINANCIAL YEAR 2017**

The supervisory board of Nordecon AS has, in the course of its meeting of 18 April 2018, reviewed the annual report of Nordecon AS for the financial year 2017, consisting of the management report and the annual accounts, which have been appended with the report of the sworn auditor and the proposal of the management board regarding the distribution of profits. The supervisory board of Nordecon AS has decided to approve the annual report of Nordecon AS for the financial year 2017. The supervisory board is assembled and its activities have been organized in accordance with the articles of association of Nordecon AS and the legal acts of the Estonian Republic.

In 2017 the supervisory board held 9 meetings, wherein, among others, the following topics were discussed:

At the meeting of the supervisory board of 8 February 2017, the management board gave the supervisory board an overview of the initial economic results of the Nordecon AS group in 2016. The supervisory board approved the 2017 budget and the 2017 investments plan of Nordecon AS. The supervisory board approved amending the structure of the organisation. The supervisory board approved the increase of loan limits of subsidiaries. The supervisory board approved the development and financing of Haki 5 (Uus-Tammelinna), the merger of Eurocon OÜ and Eurocon Vara OÜ. The management board gave an overview of the media image of Nordecon in 2016.

At the meeting of the supervisory board of 4 April 2017, the supervisory board authorised the management board to conclude loan and limit agreements with banks and to increase the loan limit granted to Swencn OÜ.

At the meeting of the supervisory board of 26 April 2017, the supervisory board approved the annual report of the financial year 2016 and reviewed the proposal for the distribution of profits. The supervisory board approved the agenda of the annual general meeting and the proposal of the supervisory board regarding each item of the agenda. Payments of performance fees to the management board members in accordance with service agreements were approved. The supervisory board reviewed the economic results of Nordecon AS in the 1st quarter of 2017, approved the new structure of the organisation and appointed Maret Tambek and Priit Luman as the new management board members.

At the meeting of the supervisory board of 14 June 2017, the supervisory board removed from the management board of Nordecon AS Jaano Vink and Avo Ambur and extended the authorisation of Erki Suurorg as member of the management board. Ando Voogma was elected as member of the management board. At the meeting, the supervisory board elected Andri Hõbemägi as vice chairman of the supervisory board. The financial plan of subsidiary AS Tariston was presented to the supervisory board. The supervisory board coordinated the composition of the supervisory board members of the subsidiaries. The supervisory board approved the development plans of Haki 7, Tartu.

At the meeting of the supervisory board of 27 June 2017, the supervisory board decided on the sale of shareholding in Unigate OÜ and the increase of the loan limit of Swencn OÜ.



At the meeting of the supervisory board of 27 July 2017, the supervisory board appointed the acting chairman of the management board of Nordecon AS, approved the amendment of the share option agreements concluded with key persons of the company, approved the sale of a part of the immovable at Raja 22/24 Tartu to Embach Ehitus OÜ and amendments to the structure of the organisation of Nordecon AS as of 1 August 2017.

At the meeting of the supervisory board of 4 September 2017, the supervisory board decided on calling the special general meeting of Nordecon AS and approval of the agenda and, among others, the distribution of additional profit.

At the meeting of the supervisory board of 17 November 2017, the supervisory board appointed Gerd Müller as chairman of the management board of Nordecon AS, approved the group's 9 months' economic results, prediction for 2017, investments budget for 2018 and sponsorship budget of Nordecon AS for 2018. The supervisory board also discussed the need for establishing an internal procedure for preparing tenders, reviewed the status of outstanding disputes and claims and approved the extension and increase of loan limits for the Nordecon AS group. The supervisory board approved increasing the share capital of affiliate Embach Ehitus OÜ and the development and financing of Nõmme tee 97/Tüve 2, Tallinn. The management board gave the supervisory board an overview of the construction activities in Sweden.

Toomas Luman
Chairman of the supervisory board
18.04.2018