

Nordecon AS

Registration number 10099962
Address Pärnu mnt 158/1, 11317 Tallinn

REPORT OF THE COUNCIL ON THE 2011 FINANCIAL YEAR

At a meeting held on 30 April 2011, the council of Nordecon AS reviewed the annual report of Nordecon AS for 2011, comprising of the consolidated financial statements and management's discussion and analysis as well as the appended auditor's report and profit allocation proposal, and decided to approve the annual report of Nordecon AS for 2011 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 2011 the council held five meetings where, among things, the following important matters were discussed:

At a meeting held on 18 April 2011, the council approved the company's annual report for 2010 and reviewed the profit allocation proposal, approved the agenda of the annual general meeting together with the council's proposals, approved Nordecon AS's budget and investment plan for 2011 and resolved that a loan should be granted to a subsidiary. The council reviewed Nordecon's two-month operating results.

At a meeting held on 6 June 2011, the council authorised the board to sign an agreement with Roland Berger Strategy Consultants GmbH for the preparation of the Nordecon Group Business Plan and Financing Program 2011-2014.

At a meeting held on 29 July 2011, the council resolved to extend the powers of and to sign a service agreement with the chairman of the board and to approve the service agreements signed with the members of the board.

At a meeting held on 7 September 2011, the council reviewed seven-month operating results, the forecast for 2011 and the portfolio of contracts extending to 2012. The council approved Nordecon AS's restructuring plan developed in cooperation with Roland Berger Strategy Consultants and approved provision of loans to subsidiaries and providing of collateral as well as matters related to sale of real estate.

At a meeting held on 20 December 2011, the council resolved to approve provision of loans to subsidiaries and provision of collateral to Nordea Bank Finland Plc Estonian Branch and Swedbank AS in connection with the conclusion of an additional overdraft agreement. The council agreed issue of letters of guarantee for the core business, issue of letters of guarantee for securing the subsidiaries' loan agreements and acquisition of real estate from a subsidiary. The council reviewed nine-month operating results for 2011.

Toomas Luman
Chairman of the Council
30 April 2012